Austria ... Sch 15	Indonesia ... Rp 2500	Portugal ... Esc 80
Bahrain ... Din 0.550	Italy ... L 1300	S. Arabia ... Rls 6.00
Belgium ... BFr 38	Japan ... Y550	Singapore ... S$ 4.10
Canada ... C$2.60	Jordan ... Fils 500	Spain ... Pta 110
Cyprus ... C£0.80	Kuwait ... Fils 500	Sri Lanka ... Rup 30
Denmark ... Dkr 7.25	Lebanon ... L£ 6.00	Sweden ... Skr 6.50
Egypt ... E£1.00	Luxembourg ... LFr 38	Switzerland ... SFr 2.20
Finland ... Fmk 6.00	Malaysia ... Rm 4.25	Taiwan ... NT 595
France ... FFr 6.00	Mexico ... Pes 300	Tunisia ... Din 0.550
Germany ... DM 2.20	Morocco ... Dh 6.00	Turkey ... L 210
Greece ... Dr 70	Netherlands ... Fl 2.50	U.A.E. ... Dh 6.50
Hong Kong ... HK$ 12	Norway ... Nkr 6.00	U.S.A. ... $1.50
India ... Rup. 15	Philippines ... Pes. 30	

FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

No. 29,586 — Thursday March 28 1985 — D 8523 B

Shadowy forces lurk behind Beirut abductions, Page 4

World news

Denmark moves to end strike

Wage costs in Denmark will increase by just over 3½ per cent over the next two years under legislation proposed by the minority Government to end the industrial strike which has affected the country.

The Government proposed extending the present collective wage agreements in both the public and private sector for two years.

This will make it compulsory for the 300,000 workers who are either on strike or locked out in the private sector to return to work probably from Sunday or Monday morning. The measures will also avert strikes in the public sector next week. Page 28

Secret snaps

The Reagan Administration acknowledged that the U.S. Army major killed by a Soviet sentry in East Germany had been taking photographs of Soviet military equipment in a restricted area.

Tehran air attack

Iran said at least 10 people were killed and 50 wounded when an Iraqi jet attacked a residential area in east Tehran. Page 4

Neves critical

The next 24 hours are expected to be critical for the survival of Brazil's President-elect Tancredo Neves, recovering in hospital from an abdominal operation. Page 5

Briton freed

Kidnappers freed British scientist Geoffrey Nash, one of eight Westerners abducted in Lebanon. Page 4

Economist killed

Italy's Red Brigades murdered Professor Ezio Tarantelli, a leading economist closely associated with the trade unions. Page 3

47 die in clashes

At least 47 people died in clashes between communist guerrillas and the military in the southern Philippines. The clashes took place in several parts of Mindanao Island ahead of the 16th anniversary of the communist New People's Army. Page 4

Hijack ends

A hijacker who forced a Lufthansa airliner to land at Istanbul was captured after all 142 passengers were released. The aircraft was seized over northern Greece on a flight from Munich to Athens.

Amritsar explosion

At least one person was seriously injured when a hand grenade exploded in the Sikh holy city of Amritsar in the northern Punjab.

N-plant liquidation

The eight electricity companies that built Austria's Zwentendorf nuclear power station decided yesterday to "liquidate" it. The plant, which has never been opened, was mothballed after a 1978 referendum rejected nuclear generated power.

'Vigilante' indicted

A Grand Jury indicted self-styled subway vigilante Bernhard Goetz on four counts of attempted murder after he refused to testify before the panel about why he shot four youths on a New York subway train last December.

Police dismissed

Spain's Socialist Government dismissed seven senior police officers and disbanded an entire unit in Leon to counter mounting unrest over a campaign to demilitarise the force.

Khartoum riot

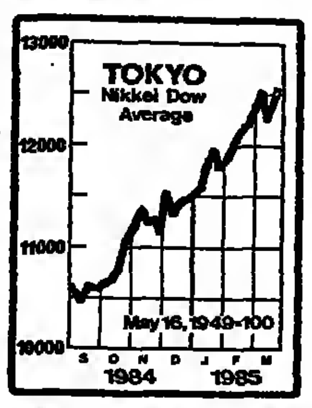
Demonstrators burned cars in Khartoum apparently in protest at food price rises shortly after President Gaafar Nimeiri left for the U.S.

Business summary

Earnings at BAT up 44% to £1.4bn

BAT INDUSTRIES, the UK tobacco retailing and financial services conglomerate, reported a 44 per cent rise in 1984 pre-tax profits to £1.4bn ($1.68bn). Page 28.

WALL STREET: The Dow Jones industrial average closed up 5.19 at 1,264.91. Section III



TOYKO stocks encountered strong buying support. The Nikkei-Dow market average advanced 64.67 to a record 1,2550.82. Section III

LONDON shares edged lower in quiet trading and the FT Ordinary share index eased 2.7 to 979.3. Gilts moved higher. Section III

PARIS shares reached record levels spurred by U.S. investors seeking a currency hedge. The CAC General index added 1.0 to a peak of 210.4. Other European bourses were mixed to weaker. Section III

DOLLAR fell in volatile London trading, closing at DM 3.125 (DM 3.209), FFr 9.545 (FFr 9.8025), SwFr 2.6485 (SwFr 2.721) and Y251.85 (Y255.45). On Bank of England figures the dollar's exchange index fell to 147.3 from 149.6. In New York it was DM 3.1410, FFr 9.5975, SwFr 2.6535, and Y253.82. Page 49

STERLING rose sharply in London, closing at $1.239 ($1.1825), DM 3.875 (DM 3.785), FFr 11.84 (FFr 11.59), SwFr 3.27 (SwFr 3.2125) and Y312.5 (Y302.0). The pound's exchange index rose 1.9 to 77.6. In New York it was $1.2310. Page 49

GOLD gained $7.75 on the London bullion market to close at $331.75. It also improved in Zurich to $330.50. In New York the April Comex settlement was $327.80. Page 48

FRENCH Government plans to sell about 10 per cent of the equity in Société Européene de Propulsion, the state-controlled group which makes engines for the Ariane space rocket. Page 29

CANADIAN Government agencies and the country'e six biggest banks are set to become majority shareholders in Canadian Commercial Bank, the Edmonton-based lender they rescued from collapse this week. Page 29

HONG KONG'S Commercial Crimes Bureau arrested Mr Anthony Pong, a former director of Deak Perera (Far East) and issued warrants for the arrest of group founder Mr Nicholas Deak and Mr Otto Roethenmund, thought to be in the U.S. Page 32

CITICORP, the biggest U.S. bank holding company, is near agreement with the state of Ohio to take over Home State Savings Bank, the thrift whose collapse precipitated the recent banking crisis. Page 29

NEW YORK investment bank Forstmann Little said it would not increase its bid for McGraw-Edison, the Illinois-based conglomerate, leaving the way open for rival bidder Cooper Industries of Houston. Page 29

BABCOCK INTERNATIONAL, the UK engineering group, said its 1984 profits were badly hit by the British miners' strike, falling to £31.6m ($38.8m) before tax, compared with £34.1m in 1983. Lex, Page 28; Details, Page 35

THE U.S. Senate Finance Committee has informally agreed to legislation setting up a free-trade zone between the U.S. and Israel, which will end all tariffs on goods traded between the two countries.

£ soars as worry over U.S. banks depresses dollar

BY PHILIP STEPHENS IN LONDON AND PAUL TAYLOR IN NEW YORK

THE DOLLAR fell sharply yesterday to its lowest level since last December, amid renewed concern on foreign exchange markets over the health of the U.S. banking system and a more general erosion of confidence in the U.S. currency.

The fall brought heavy gains for sterling, which surged against all currencies as investors switching out of dollars took advantage of the high level of UK interest rates.

The pound rose to its best level since November against the dollar, while its value against a basket of currencies as measured by the sterling index was the highest since September last year.

The dollar closed in London 8.4 pfennigs lower at DM 3.1250, while the pound gained 5.65 cents to $1.2390.

The sterling index jumped by 1.9 points to 77.6, reflecting the pound's advance against European currencies as well as the dollar.

The dollar's steep decline was blamed in the markets partly on rumours that Texan banks with large energy-related loans were experiencing difficulties, and there was also concern over the health of agricultural banks.

The problems of the U.S. banking sector were again highlighted yesterday by bank regulators. An official of the Comptroller of the Currency's Office, which regulates the 4,800 state chartered banks, noted that the number of banks on the office's "problem" list had grown sharply recently to 800.

It is likely to expand "significantly" this year, spurred by problems in the farm sector, the official said.

Foreign exchange traders, however, also reported a more widespread weakening of confidence in the U.S. currency since the crisis which hit Ohio saving banks earlier this month.

That weakening centred on fears of slower economic growth and the view that the U.S. authorities would seek to hold down interest rates to protect the banking system, which might in turn allow an upsurge in inflation.

A low federal funds rate and the lack of Fed interventioo yesterday to drain reserves encouraged a growing belief in New York markets that the Federal Reserve Board'e policy making Open Market Committee voted at its meeting this week to hold U.S. monetary policy steady.

Although reluctant to predict a decisive turn in the dollar's fortunes – it suffered a major but temporary reversal at almost exactly the same time last year – traders said that there had been a significant change of sentiment towards the currency.

"There has not been a major flight from the dollar but we have not got any customers buying them. I think we have seen a general change of sentiment in the last few days," said the foreign exchange manager of one leading Frankfurt bank.

The nervousness in the markets was also reflected in a further rise in the gold price, which closed $7¾ higher at $331¾, partly in response to a large purchase from a Londoo bullion house.

Traders said that the pound had been the main beneficiary of the dollar's fall because of the high level of UK interest rates – in real terms nearly double the level in West Germany – and the boost to

Continued on Page 28

UK retail prices, Page 10; Money markets, Page 49

Case and Paris disagree on terms for Harvester

BY ANDREW GOWERS IN LONDON

NEGOTIATIONS between J. I. Case, the tractor-making subsidiary of Tenneco of the U.S., and the French Government over the future of International Harvester's three French agricultural machinery factories, have run into serious trouble.

Last November Tenneco bought International Harvester's U.S. and UK farm equipment businesses and an option on its French and West German manufacturing operations for $430m.

That option closes on Sunday. But Case has made the purchase of the three French plants: a combine factory at Angers, a cab-building facility at Croix and a transmission-making and assembly plant at Saint Dizier; conditional on agreement by the Government to a plan for substantial cuts in manufacturing capacity.

Case also wants the Government to relieve it of some of the interest outstanding on Harvester's French debts.

The Government, under heavy political pressure over redundancies elsewhere in industry, has already provided a FFr 160m ($16.75m) line of credit for Harvester's factories, and is vigorously resisting job cuts.

Mr John Gleason, senior vice-president of Case Europe, said yesterday that Case'a president, Mr Jerry Green, visited France last week and came away disappointed at the slow pace of negotiations.

If Tenneco does not buy International Harvester France, which makes annual losses of about $37m, it is still likely to go ahead with the purchase of Harvester's profitable engine-making operation at Neuss, West Germany, and its Danid subsidiary.

It is belived that while it could obtain the German plant for a token amount if bought in conjunction with the French operations, it would cost substantially more without them.

Mr Gleason said: "If we bought everything in France, we would have too much manufacturing capacity in Europe. Why would anyone want to buy a business that is losing money without some concessions from the Government? Something has to give before we see it as a viable opportunity."

The question of the French purchase is of key importance for the

Continued on Page 28

Gatt report asks industrialised countries to open their markets

BY WILLIAM DULLFORCE IN GENEVA

INDUSTRIALISED nations were urged yesterday to discard discriminatory trade practices and open up their markets to heavily indebted countries such as Argentina, Brazil and Nigeria as part of a programme of action to resolve the crisis in the world trading system.

The debtor countries, it was suggested, should abandon the idea of negotiations organised on "North-South" lines and seek salvation for their beleaguered economies by reducing their own trade barriers and integrating into the trading system.

The suggestions were contained in an independent report – Trade Policies For A Better Future – published yesterday by the General Agreement on Tariffs and Trade (Gatt), the Geneva-based trade organisation.

The report is the work of a committee of seven eminent economists, businessmen and one politician headed by Mr Fritz Leutwiler, who until the and of last year was president of the Bank for International Settlements and is now chairman-designate of Brown Boveri, the Swiss engineering group.

The team was commissioned 16 months ago by Mr Arthur Dunkel, the director-general of Gatt, to examine the situation in which an accumulation of restrictive trade practices was threatening to choke the world market.

Its report puts forward 15 wide-ranging proposals for making trade policies and Gatt more effective. It calls for closer co-ordination of monetary and trade policies at the international level, enhanced status for trade ministers and greater openness by governments in explaining the long-term costs of protectionist policies to consumers and taxpayers.

The report supports the new round of multilateral trade talks under the auspices of Gatt being sought by the Americans and Japanese. It also supports the U.S. proposal that multilateral rules might be devised for trade in services, but Mr Leutwiler said yesterday that services would not be high on his personal list of priorities.

Several of the report's recommendations concentrate on eliminating "illegal" trade measures, such as voluntary export agreements of the kind between the U.S. and Japan on Japanese car exports and between the European Community and Japan on videocassette recorders.

The committee wants the rules for subsidies to be revised, and suggests that time limits be placed on so-called safeguard protections provided for domestic industries facing technological change.

Optimistically, it calls for the phasing out of the Multifibre Arrangement, the international textile trade agreement, and the formation of clearer and fairer rules for agricultural trade.

Gatt would be given a considerably enhanced role as a watchdog

Trade Policies For A Better Future. SwFr 15; available in English, French, Spanish and German from Gatt Secretariat, Centre William Rappard, 154 Rue de Lausanne, 1211 Geneve 21.

Details, Page 6; Putting Gatt together again, Page 27

Chinese reforms fuel credit and wage explosion

By Mark Baker in Peking

ZHAO ZIYANG, the Chinese Prime Minister, yesterday publicly revealed that China's economic reforms are causing serious problems.

In an unusually frank speech at the opening of the National People's Congress, Zhao said that China's money supply had grown at an alarming rate and that unauthorised pay rises and bonuses had resulted in a leap in the national wage bill.

There was a drastic increase in credit last year, he said. Total bank loans had increased 28.9 per cent, with about half of the increase occurring in December. The government payroll had risen 21 per cent, with a rapid increase in the final quarter. Many enterprises had paid excessive wage rises and bonuses out of bank loans.

Zhao indicated that the wage and currency spiral was undermining the Government's plans to introduce a comprehensive wage system which rewarded merit, initiative and hard work. He laid much of the blame for runaway growth in the money supply on financial organisations which had ignored the country's overall interests by competing against one another to grant loans.

Zhao's criticisms come at a time of upheaval within China's banking system. Jin Deqin, president of the Bank of China, the country's foreign exchange authority, was recently replaced without explanation, although western diplomats and bankers believe he was dismissed for allowing too generous bonuses within the bank.

In another surprise move, announced late last week, Chen Muhua, the Trade Minister, was appointed head of the People's Bank of China, the central bank. Zhao indicated at the time of her appointment that the bank would be given greater powers.

Zhao's keynote speech to the National Congress, usually regarded as a broad-ranging "state of the nation" address, was dominated by economic matters, especially the difficulties involving the country's current urban reform programme.

"Last year's somewhat excessive increase in the money supply in our economy has created certain difficulties for the reform," he said.

"If we do not take the initiative in carrying out the reform, let good opportunities slip and fail to strengthen our various economic relations,

Continued on Page 28

EEC ministers to allow new steel subsidies

BY PAUL CHEESERIGHT IN BRUSSELS

FRANCE AND Italy face further cuts in their steel industries after the decision by European Community industry ministers to permit a new round of subsidies this year linked to capacity cuts to help the restructuring of the industry.

The two countries are considered the most likely to approach the Commission for authorisation to make subsidies over and above those already agreed. It was at their insistence that the European Commission last autumn put forward a plan to permit new subsidies.

This proposal was eventually accepted yesterday after about 14 hours of discussion, two earlier formal meetings of the industry ministers and an informal gathering.

The agreement runs parallel with a decision to allow operating subsidies this year for steel companies. These should have finished at the end of last year, but tha Commission suggested that they be extended because the finances of steel companies had been seriously affected by a market slump in the second half of 1983.

The ministers, however, stressed that December 31 1985 was the last date for the payment of any sort of subsidy to the steel industry. The primary principle is "the absolute requirement that this date at the end of 1985 be observed," Mr Peter Sutherland, Commissioner in charge of competition policy, said yesterday.

Considerable scepticism remains, however, about whether subsidies will end on that date, given the size of the subsidy programmes that, for example, the French Government announced last year.

Whether the scepticism is justified will not become clear until later this year. The Commission is expected to draw up by the early summer its ideas on how to dismantle the system of supervised subsidies and market controls that have been the umbrella for the industry. Ministers will probably have a first look at what ideas emerge just before the summer holidays.

All applications for subsidies, linked to restructuring, should have been notified and dealt with by the Commission by the end of June 1983, although the subsidies could be paid up to the end of 1985.

It was the need of France and Italy for more subsidies beyond what had been settled then and in the months afterwards – set against the reluctance of Germany to see any relaxation of the dates – which has dominated discussions.

Germany was prepared to go along with France and Italy only if their respective national industries made more capacity cuts than those finally demanded by the Commission in 1983.

In the French case this meant 5.3m tonnes out of a 1980 maximum capacity of 26.6m tonnes, and in the Italian case 5.8m tonnes out of 36.3m tonnes. By the end of last year the two countries were making slower progress in reducing capacity than all the other EEC steel producing countries.

The industry ministers' agreement means that countries such as France and Italy can seek permission for more subsidies. But the Commission will make certain that such subsidies are accompanied by more cuts – a plus for Germany.

Peter Bruce adds from Bonn: the powerful West German steel industry reacted angrily yesterday to the decision on subsidies.

The German steel industry association said in Düsseldorf that the move would impose severe disadvantages on the largely private sector producers here and would cost German jobs.

The industry called for compensation from the Bonn Government for allowing the decision to go through, and said German producers could not compete under their own power in a European market distorted by subsidies.

It is also possible that the ministers' decision – which was welcomed by the West German Economics Minister Dr Martin Bangemann – could sour relations between him and the German producers, many of which have recently been praising him as a man determined to stand up for the domestic industry in its campaign against European steel subsidies.

The alarm in the German steel industry at the extra subsidies partly reflects the fragility of the recovery in steel industry profits in Germany in the past 18 mooths. Some big producers are still losing money or just breaking even.

The Germans are also worried, however, that the French and particularly the Italian state-owned steel makers may not be operating profitably, despite the new funds, by the December 31 deadline for last subsidy payments.

In that case, they fear demands for a further extensioo of the subsidy deadline and Bonn's agreemeot to the latest payments will undermine confidence so that it would refuse next time.

CONTENTS

EUROPEAN NEWS

Jonathan Carr explains the attractions of sterling to the European Monetary System

W. Germans look to Britain for an EMS ally

YOU MIGHT think that by now the West Germans would be heartily sick of urging Britain to become o full member of the *European Monetary System* (EMS). After all, they have been doing so for seven years (*the efforts began about* o year before the system started formal operation in 1979) with *no discernahle result.*

Moreover, the presence of sterling, a petrocurrency, in the *exchange rate mechanism* might be expected to make the system harder to operate. Arguably, the Deutsche Bundesbank and other EMS central banks would have to intervene much more than before to help steady a new member currency specially sensitive to oil price changes

Yet in recent months senior German monetary authorities (among them Dr Gerhard Stoltenberg, the Finance Minister, and *Herr Karl Otto* Pöhl, the Bundesbank President) hove again been calling on Britain to join. Why?

Part of the reason is that the Germans, to their intense indignation, increasingly found themselves put in the dock on the ticklish problem of the European Gurrency Unit (EGU). At *issue* is the *fact* that the Bundesbank does not permit establishment of ECU-denominated bank accounts in Germany (on the grounds *thot* ECU liabilities imp!y o form of indexation ond could he inflationary). Several partner countries, as well as the European Commission and Parliament, stressed that tbe Bundeshank was the only EMS central bank imposing such a restriction and was thus hindering the development of a *true Europeao* currency.

The Germans replied thot they fully supported development of the official ECU (that used between central hanks as opposed to the private ECU in widespread commercial usel.

But in any case, they argued, this was far from being the main point. *Further* European monetary integration demanded that there he greater economic policy convergenre hetween the member states; that other partners (notahly *France*) abolish capital controls; that Italy give up tha specially flexible status enjoyed hy the lira in the *EMS*; and, last hut not least, that Britain should become a full member after hovering on the doorstep for so long.

Cynics might suggest that the Germans hove concocted a iist of demands unlikely to be fulfilled as an excuse for doing nothing *themselves. That would* be a simplification. There are certainly those in the Government (Herr Martin Bangemann, the Economics Minister. is believed to be one) and even in tbe Bundesbank who feel the German stand on the private EGU to be counter-productive. They would welcome full EMS entry by *Britain* as a *useful* lever to help budge less flexible colleagues on the ECU. But beyond that—relatively new—argument, there are weightier economic, monetary and political reasons for having Britain in the system.

For one thing, many Germans sceptical ot the start about the EMS—and hence sympathetic to Britain's caution—now admit that the system has worked better than they expected. Most (not all) feel business and industry has benefited from being ahle to operate within a trading zone of relatively stable exchange rates over six years of sharp dollar *fluctustion;* and most agree that the EMS discipline has helped partner governments *follow* (or *turn* to) anti-inflationary policies. There is a widespread belief, in the German Government and heyond, that Britain would have enjoyed similer benefits had it been part of the exchange rate mechanism from the first.

This is neither a matter of German altruism nor of trying to hold sterling ot an uncompetitive level wbich would allow German exporters to flood Britain with their goods. It is rather the simple recognition that Germany stands to gain when *its* closest *partners* prosper economically and that the EMS heips that bappen, although it cannot bring about miracles.

Monetarily, the official German argument in favour of *having sterling fully* in the EMS is that this would give the system more weight. It *is* rarely spelt out just what benefit this would hring, but clearly the orgument implicitly rejects the idea that the British petrocurrency would *sutomatically* bring serious instability to the EMS. Indeed, there is no sign that German monetary *authorities* take the petrocurrency argument very seriously any longer — *if indeed* they *ever* did. It is pointed out that each EMS member has special factors *affecting its currency* (Holland's gas for example) and that Britain's oil would not raise an insurmountable problem.

The key point is that the Germans tend to see the existing EMS as a D-Mark (not an ECU) zone—although naturally they do not say so publicly. On the one hand they find this flattering, with the D-Mark playing the kind of reserve role in Europe which the dollar plays worldwide. But it brings special probiems too — notahly *the strains caused within the* EMS because of the D-Mark's special sensitivity to dollar fluctuation.

Other European central hanks bove bougbt o lot of D-Marks, wbich belped the Germans when *their currency* was *relatively* weak, and could run down their hoards if the D-Mark were to become too strong (for example because of a flow of funds deserting the dollar). But German monetary officials would *like* to see their lonely reserve role sbared a hit and (rightly or wrongly) do not see the ECU taking up the burden in the foreseeable future. Hence there is wistful talk about the greater stability of a zone based on two international currencies instead of one—namely the D-Mark and the pound sterling, once it had been fully integrated into the EMS.

What ebout the French and the franc? The Germans are naturally full of praise for *their* close co-operation with French monetary authorities. But as well as the praise there is letent concern about the French dirigistic philosophy, *Le Plan*, the readiness to adopt capital controls and to recommend them to others in the Community. Bluntly, the Germans find the market *philosophy* of the present British Government closer to their own—and would love to have so like-minded an ally sitting with them on the inside of the EMS.

WEST GERMANY'S foreign trade and current account performance improved sharply *last month*, doing nothing to dampen the widespread belief thot 1985 may see a trade performance better than even the record DM 54bn (£14.2bn) surplus last year, writes Rupert Gornwell in Bonn.

According to the Federal Statistics Office in Wiesbaden, *exports in February* of DM 42.86bn against imports of DM 38.15bn prodneed a trade *surplus of* DM 4.71bn, compared with DM 2.6bn in January, and little changed from the DM 4.8bn surplus registered in February 1984. The current account last month was in the black to the tune of DM 1.9bn, compared to a deficit of *DM 0.8bn in January.*

The buoyant overall predictions for this year from most *leading forecasters* here are based on the continuing surge in foreign orders won by *West German industry. But* analysts point out that o sharp *fall* in the dollor could *eat into the present* competitiveness of domestic manufacturers.

Pöhl: call for Britain to join EMS

VW hires more staff as recovery hopes increase

BY JOHN DAVIES IN FRANKFURT

VOLKSWAGEN, West Germany's largest car manufacturer, is to take on more employees, *following* a *halt* to recruitment because of a slump in the domestic car market.

The decision is a *sign* that VW helieves the market will pick up again now that the European Community has reached a compromise on the timescale for introdncing tighter car *emission* controls. It also reflects the relatively strong position of the Golf and Jetta in domestic and West European export morkets.

Uncertainty about the Bonn Government's plans for stricter emission controls has been hlamed for a sharp drop in new car orders in West Germany in recent months. New registrations in the first two montha of this year were as much as 17.3 per cent down on a year ago.

VW began building up its workforce last July after the metalworking industry agreed to introduce shorter working hours. But, after orders for most car manufacturers began *to taper off*, the *company* decided to call a halt to its recruitment plans towards the end of last year.

Volkswagen cut its effective working week from 40 to 38.5 *hours* (through extra free shifts) from the beginning of this year, a step other carmakers and metalworking companies will take on April 1.

VW, which has about 116,000 employees on its parent company payroll, has decided to hire another 1,000. Most will be taken on at Wolfsburg, where the Golf, Jetta and Polo are assembled, and the others at its component works at Salzgitter, Kassel and Brunswick. It will give priority to people already out of work.

Although the local car market has declined so far this year, the Golf increased its share to more *than 12* per cent, compared with 11 per cent in the whole of last year. Deliveries of the car to customers in European export markets were up a third, while Jetta deliveries doubled.

Only a couple of months ago, nnion representatives at VW were *fearful* of short time working *being* introduced because of the poor state of the car market.

While last week's EEC decision removes some of the uncertainty about car emission controls, the market is still a worry to the mass production carmakers.

Androsch stresses Polish need for new bank finance

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT IN VIENNA

COMMERCIAL BANKS "will have to provide fresh finance" for Poland once that country joins the International Monetary Fund, Herr Hannes Androsch, chairman to Austria's Creditanstalt-Bankverein, said here yesterday.

The IMF will mastermind loans to Poland from commercial banks in much the same way as it arranges credit for Latin American countries in financial difficulties, said Herr Androsch, whose hank has been actively involved in Polish business and is on the steering committee of leading bank creditors.

"If yon want to bring Poland back on to an economic road *which enables it to increase* exports, you also have to finance some imports," he told a news conference.

Herr Androsch declined to give any estimation of the likely size of any Polish borrowing needs. The IMF is still having trouble obtaining accurate figures from *Poland, he said.*

Other East European countries are likely to return cautiously to more free market borrowing now that the East European debt crisis is largely over, he added. Comecon has reduced its total hard currency debt from a peak of $75bn to only around $55bn, though 40 per cent of this is the result of currency valuation changes.

Czechoslovakia, whose foreign debt is now about $2.5bn, was in a good position to borrow from banks again, he said *Other bankers believe a small* credit might be raised by its foreign trade bank this year, but it is very cautious on its *hard* currency borrowing policy.

Turkey sets great store by Ozal's visit to U.S.

BY DAVID BARCHARD IN ANKARA

THE TURKISH Prime Minister, Mr Turgut Ozal, left here yesterday on an 11-day official visit to the United States, which is regarded in Ankara as the most important trip by a Turkish head *of* government for many years.

It is the first official visit by a *Turkish Premier* to the *U.S.* since 1972. Mr Ozal is taking with him 35 officials, including the governor of the central bank, five MPs, and a separate delegation of leading Turkish husinessmen.

For the Turks, the visit is intended to promote the country's image in the West (believed here to be insufficiently appreciated) and foster Turkish-U.S. trade links and investment. Last year Turkey's imports from the U.S. were worth $1.073bn hut exported only $368m.

Strategic and diplomatic issues top the U.S. Administration's agenda for talks with Mr Ozal. There is bound to be discussion on a Cyprus settlement and on the uneasy relationship between Turkey, the U.S. ond Greece. Turkey is *discreetly ploying up its role os* a possible alternative to Greece if the Papandreou government shuts U.S. military installations there.

However, Ankara does not want to take on any further *responsibilities* in defending the Middla East. Mr Ozal told a Turkish newspaper before he left that he thought the country's present role sufficient. He is thought to be unwilling to make further concessions on allowing the U.S. rapid deployment force to operate from *eastern* Turkey.

This year, Turkey is expected to receive from the U.S. $700m in military aid, including $485m in *foreign military sales credits*, and o further $175m in economic assistance. Next year, U.S. aid, described in Turkey as inadequate, will be $785m for military purposes and $150m in general economic help.

Mr Ozal is expected to make a vigorous defence of his country's *human rights* record which came under fire last week from the playwrights Arthur Miller and Harold Pinter, who were visiting Turkey on behalf of the PEN international writers' organisation.

● Banks beading a $500m loan for Turkey on the Euromarkets have completed syndication of tha deol, a month after the 21 lead managers were assembled and fonr months after efforts to raise the loan began, writes Alexander Nicoll.

A totel of 44 banks, including *the lead managers*, are *taking* part in the seven-year loan which met resistance because of its controversial *structure.* Many banks thought its mechanism, involving short-term advances from hanks similar to a currently fashionable Euronote operation, was not appropriate for lesser-rated borrowers.

Romania's motorists make hesitant return to road

BY DAVID BUCHAN

THE MOST sweeping nf Romania's special winter austerity measures comes to an end today, when for the *first time since* January 9 all private car drivers are once more free to hit the roads and, possibly, each other.

Despite the phased lifting of the ban, allowing cars with even-numbered licence plates to drive on Tuesday and those with odd-numbered plates *yesterday, the official* Press warned drivers that many would find their reflexes weaker "because of lack of practice."

Perhaps luckily *for safety*, the *rush on to the roads* was yesterday curtalled by flat batteries in many cars lying unused *for two-and-a-half* months.

The ban on private driving has been lifted, *according* to Bucharest Radio, because snow from Romania's worst winter since 1940-41 is now melting and road conditions were back to normal. Its removal is also politically opportune, however, with the Press in the past week trumpeting President Nicolae Ceausescu's anniversary of 20 years in power as bringing Romania to new peaks of progress.

According to the radio, the ban saved 55,000 tonnes of petrol. But now, with all drivers seeking simultaneously to top up their tanks, petrol shortages are likely again, even though a ration of 40 litres per month remains in force in most parts.

FINANCIAL TIMES, USPS No. 190640, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address change to: FINANCIAL TIMES, 14 East 60th Street, New York, NY 10022.

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EUROPEAN NEWS

Referendum on wages looms in Italy

By Our Rome Correspondent

ITALY'S CHANCES of avoiding a potentially damaging Communist-inspired referendum on wage indexation are dwindling, following the refusal of the employers to make a key concession that might have enabled talks with the unions to get under way.

Italians are due to go to the polls, probably in early June, to decide whether or not the Government of Sig Bettino Craxi acted correctly last year when it cut four points out of the *scala mobile* index by decree.

If the majority votes against the Government, the four points will be restored to the index, quarterly wage rises will increase after the referendum by L27,200 ($13) n month, and the already fragile anti-inflation strategy of the Government will be threatened.

In the past few weeks, Sig Gianni De Michelis, the Labour Minister, has been trying to get unions and employers to start serious talks on n reform of wage indexation that would so change the rules that the referendum would be declared unnecessary by the constitutional court – which approved the popular petition for the referendum organised by the Communist Party in the first place.

But the unions, although deeply divided among themselves, insisted that Confindustria, the employers' association, first make n concession by starting again to pay wage increases corresponding to n point on the *scala mobile* index composed of accumulated fractions of previous index points.

However, Sig Carlo Patrucco, vice-chairman of Confindustria, said this week that the employers would not change their stance although they were prepared to negotiate directly with the unions. But this is unlikely to satisfy the unions.

Confindustria evidently believes that the chances of negotiations succeeding at this stage are slim and that it may be better to see what the referendum brings.

Warning on Greek ballot

By Andriana Ierodiaconou in Athens

THE GREEK conservative opposition warned yesterday that they would not recognise Mr Christos Sartzetakis, a Supreme Court Judge, as President of the Republic, if the Socialist Government persisted in using different coloured ballots in a third and final round of voting for a new head of state in parliament next Friday.

Mr Constantine Mitsotakis, leader of the New Democracy Party, said that use of different-coloured ballot papers for and against the presidential candidate violated both the secret ballot procedure called for by the constitution and a parliamentary regulation that ballot lists must be "uniform."

Red Brigades gun down union economist

BY JAMES BUXTON IN ROME

ITALY'S Red Brigades terrorists yesterday murdered in Rome a leading economist closely associated with the trade unions.

The killing, which shocked government ministers, MPs and trade unionists, was the first time since 1983 that left-wing terrorists have struck against a political target of this kind.

The incident highlights the controversy over the Communist-inspired referendum on wage indexation which is likely to be held in June.

Professor Ezio Tarantelli (44) was gunned down by two people as he was getting into his car after delivering a lecture at Rome University. He was dead on arrival at hospital. The Red Brigades later claimed responsibility for his murder.

The professor was the head of the research department of the CISL union. This union, which is associated with the Catholic as opposed to the Communist wing of the labour movement, last year supported the Government's decision to cut the *scala mobile* wage indexation system which opposed last year's decree

A reform of wage indexation had long been favoured by Professor Tarantelli which put him in opposition to the Communist-oriented CGIL union which oppoed last year's decree and officially endorsed the Communist party's campaign for a referendum to reverse it.

But although in favour of a reform of the *scala mobile* — which all unions support in differing degrees—Professor Tarantelli was far from right-wing. The CISL while rejecting the referendum is fighting strongly to reduce working hours in order to favour employment.

Yesterday's shooting marks the return of the Red Brigades to action against Italian targets not connected with the forces of law and order. The left-wing movement came close to being routed in 1982 and the following year its only victim was a Socialist economist, also in favour of reform of indexation, who was wounded.

Last year the Red Brigades claimed responsibility for the murder of o U.S. diplomat and some months ago, said it killed a member of the police anti-terrorist squad.

Banking and insurance to meet Irish group's losses

BY BRENDAN KEENAN IN DUBLIN

THE COST of rescuing Insurance Corporation of Ireland, the loss-making insurer, which the Irish Government took over from Allied Irish Banks, will be met by the banking and insurance industries, rather than the taxpayer, Mr John Bruton, the Industry and Commerce Minister, told Parliament yesterday.

He was opening a debate on the rescue as a serious political row developed over the terms of the take-over. He said the maximum losses should not exceed I£120m (£99m), but this was an upper limit, rather than a likely figure. However, government backbenchers continues to speculate that the final losses could be greater.

The Government is under increasing pressure, not least from its own supporters, who feel the terms of the deal were too generous to Allied Irish.

Mr Bruton said the priority had to be protecting confidence in the banking system. He criticised Allied Irish for saying it would maintain this year's dividend, despte the losses. He regarded this as "insensitive" but said that a cut in the dividend might have been taken in the stock markets as a signal that the bank's underlying strength had been damaged.

Mr Charles Haughey, the opposition leader, said government estimates of losses was inadequate 12 days after the crisis broke. He doubted Allied Irish would have got rid of the company if the main losses were just the I£65m incurred in 1984.

Mr Burton told Parliament that the Government would seek new powers in its review of company legislation to redefine the statutory responsibilities of directors and auditors. It would also seek to modify the access to juries in damages cases, which have been blamed for the general losses in the Irish insurance industry.

The minister confirmed that the bulk of Insurance Corporation's losses were incurred in its London office. "It appears that the information supplied by the London branch to its supervisory authority and to its head office in Dublin did not reflect the true position."

He gave no details how the banking and insurance industry would pay for the rescue, but hinted that Allied Irish would bear a proportionately greater part.

John Moore adds: In the London insurance market experts estimate that the total losses could be as much as £500m.

The company laid off around 80 per cent of its business in reinsurance arrangements to protect itself against onerous losses. But already reinsurers are taking steps to have the contracts cancelled from inception which could leave it having to pay up in full on insurance claims.

Reinsurers are disputing the way in which the contracts were drawn up on the company's business and this could lead to litigation.

Right upset by sacking of police in Spain

By David White in Madrid

SPAIN'S right-wing opposition yesterday demanded explanations from the Government after it announced sweeping measures to put an end to conflicts in the police force, including the dismissal of several senior officers.

The measures come after growing tension arising from an anomaly in Spain's democratic transition: the National Police, a reformed version of Gen Franco's armed police and supposedly a civilian body, still has more than 200 officers detached from the army, mostly majors and captains.

With the Socialist Government preparing to merge the National Police with the plain-clothes Superior Police Corps, police unions have pressing for "de-militarisation" of the force as the Socialists have promised.

The friction came to a head earlier this month with protests by police in Leon in northern Spain against their chief, who was forced to resign.

The force's chief of staff, Lt-Col David Cervera, who had criticised the Government's "lack of authority" in the incident and who had asked to be transferred back to the army, was one of seven ex-army officers to be dismissed. He was considered number two in the hierarchy of the force. The others included three garrison commanders and a colonel in charge of the Canary Islands.

At the same time the Interior Ministry disbanded the company of police involved in the incident in Leon.

In recognition of its non-military character, in contrast to the paramilitary Civil Guard, unions in the 50,000-strong National Police recently gained legal status.

NATO PLANS REDUCTION IN SHORT-RANGE N-WEAPONS

UK's nuclear armament to change

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT

THE NATO plan to reduce the alliance's stock of short-range nuclear weapons in Europe by at least 1,400 over the next three years will inevitably affect the mix of nuclear weapons held by Britain, Mr Michael Heseltine, the British Defence Secretary, said yesterday.

Mr Heseltine was commenting on the plan, unveiled here by General Bernard Rogers, the supreme commander in Europe. It provides a detailed blueprint for reducing Nato's so-called battlefield weapons and modernising those which remain.

The UK minister, who was speaking at the end of the meeting of the 14-nation Nuclear Planning Group, refused to say how the nuclear weapons now deployed by British forces might be reduced or altered. He noted that Gen Rogers' plan would be discussed in detail with Britain and other countries deploying battlefield weapons over the next few months. The defence ministers are expected to take a formal decision to approve the plan when they meet again in October.

Details of Gen Rogers' plan, the result of a five-year study, have remained secret apart from revelation by a senior U.S. official on Tuesday that it recommended the complete withdrawal of one category of weapon—the atomic demolition or nuclear land mines which date from the 1950s. The official also said that Gen Rogers had recommended the withdrawal of slightly more than 1,400 warheads.

The reduction of 1,400 warheads was ordered by defence ministers 18 months ago, when they met at Montebello in Canada immediately prior to the deployment in Britain and West Germany of new U.S. cruise and Pershing 2 medium-range nuclear missiles.

Nato has promised that one nuclear warhead will be withdrawn for every new cruise or Pershing deployed, in addition to the 1,400 reduction.

Lord Carrington, Nato's secretary-general, noted yesterday that when the withdrawals are complete, Nato's stocks of nuclear weapons in Europe will be at their lowest level for 20 years.

Britain, West Germany and Italy had so far deployed 118 of the new U.S. missiles, he said, while Belgium deployed its first "flight" of 16 missiles earlier this month. The Soviet Union had deployed 414 of its SS20 triple-warheaded missiles, he confirmed.

The battlefield weapons covered by the Rogers plan range from "free fall" bombs and artillery shells to short-range anti-aircraft rockets like the Nike Hercules, now being replaced by the non-nuclear Patriot.

Extreme caution in Bonn over Star Wars

BY RUPERT CORNWELL IN BONN

AS GOVERNMENT and Opposition clashed over the merits of the planned U.S. space-based defence programme, the ruling coalition yesterday made clear it would wait as long as possible before making up its mind on whether to accept Washington's invitation to participate in the research phase of the Strategic Defence Initiative (SDI).

The lengthy statement of Bonn's views reflects the extreme caution felt over the project. West Germany is anxious to take its final decision only in concert with its major European allies.

Publication of the results of the Government's views coincided with a visit by a team of senior U.S. officials, headed by Gen James Abrahamson, leader of the SDI research programme, to explain Washington's intentions in greater detail.

But his appearance yesterday before the defence committee of the Bundestag served mainly to place on public display the profound differences on SDI between the Centre-Right parties of Government and the Social Democrat and Green Opposition.

The prevailing view among the former—also evidenced in the statement itself—is that the longstanding Soviet interest in space weapons technology justifies SDI research, provided it limits itself to purely defensive purposes and does not upset the current superpower stratigec balance.

The Social Democrats are firmly opposed to the idea and the Greens reject any involvement whatsoever.

Bonn's decision is unlikely before early May, and Chancellor Helmut Kohl will take up the matter with President Reagan during his official visit to West Germany between May 1 and 6.

Allies support SDI research programme

THE FINAL communique issued by Nato's Nuclear Planning Group yesterday had the following to say on the subject of the Star Wars project:

We have continued the comprehensive consultations on the political and strategic implications of the U.S. Strategic Defence Initiative (SDI). This is designed to establish whether recent advances in technologies could offer the prospect of significantly more effective defence against ballistic missiles.

We support the U.S. research programme into these technologies, the aim of which is to enhance stability and deterrence at reduced levels of offensive nuclear forces. This research, conducted within the terms of the ABM treaty, is in Nato's interest and should continue.

In this context, we welcome the U.S. invitation for allies to consider participation in the research programme.

We noted with concern the extensive and long-standing efforts in the strategic defence field by the Soviet Union which already deploys the world's only ABM and anti-satellite systems.

The U.S. strategic defence research programme is prudent in the light of these Soviet activities and is also clearly influenced by the treaty violations reported by the U.S. President.

Reuter

Botha's commitment to reform renewed after shootings

BY ANTHONY ROBINSON IN CAPE TOWN

SOUTH AFRICAN President P. W. Botha yesterday told parliament his Government was still committed to cautious reform but indicated that further steps would soon be taken "to restore and maintain order."

The statement, to a specially convened joint session of parliament, followed a cabinet meeting to discuss the security situation in the light of last week's shootings in the Eastern Cape and Tuesday's abortive march on parliament. It strongly criticised "certain people who under the guise of moral and religious conviction take the lead in fomenting disobedience, violence and destruction."

Mr Botha: further steps to maintain order

This appeared to be a thinly veiled reference to the presence of leading church figures like the Rev Alan Boesak, leader of the World Alliance of Reform Churches, and Dr Beyers Naude, general secretary of the South African Council of Churches, at the head of Tuesday's march on parliament.

The President's statement was interpreted in the corridors of Parliament as an indication that the Government is planning further action against leading opposition figures in the United Democratic Front and other anti-apartheid bodies.

The statement also contained an appeal to Parliament to cease debate on recent events in the Eastern Cape until a commission of inquiry set up to investigate the Sharpeville anniversary shootings at Langa had made its report.

The appeal was rejected by Mrs Helen Suzman, law and order spokesman of the white opposition Federal Progressive Party (PFP). To do so, she said, would be an abdication of Parliament's responsibility.

Mrs Suzman also demanded that in future the police should keep away from the funerals of people killed by the police as their presence "was like a red flag to a bull."

Meanwhile, as sporadic violence continued in townships in the Eastern Cape and elsewhere, Justice D. D. Kannemeyer began his official inquiry by visiting the scene of the Langa shootings

After Lt Fouche, who led the 19-strong police team which shot on the crowd, had given his version of events Justice Kannemeyer heard differing accounts from local residents while legal counsel representing families of the dead also asked questions on the spot.

Back in Cape Town a police spokesman said a total of 264 people had been arrested after Tuesday's march on Parliament and released late the same evening. They began appearing in court yesterday but were not asked to plead and their cases were remanded until June 3.

Shadowy forces behind the Beirut abductions

BY RICHARD JOHNS

A NEW dimension of left-wing international terrorism has entered the anarchic Lebanese scene with the involvement of the Lebanese Armed Revolutionary Factions in the kidnapping of foreigners.

The group, active since the attempted assassination in 1981 of the U.S. chargé d'affaires in Paris, claimed responsibility for the abduction on Tuesday of M Gilles Peyrolles, director of the French cultural centre in Tripoli. It said his safety could not be guaranteed unless three of their colleagues were released from gaols in West Europe — one in France and two in Italy — within 48 hours, a deadline which expired yesterday.

Whatever M Peyrolles' fate, the emergence of LARF raises the possibility that the group—believed to be linked with France's Action Directe, Italy's Red Brigades and West Germany's Red Army Factions — may be responsible for other kidnappings claimed in the name of Islamic Jihad (Holy War), a body which Beirut diplomats believe probably does not exist but is used as a catch-all cover for any anti-Western violence.

Three French diplomats were seized on March 22, retrospectively in the name of Islamic Jihad. Strangely, though, two days previously a hand-written message was banded to a foreign news agency, bearing the appelation Arab Revolution Movement, warning that French blood would be spilt if one of their members — "comrade Abdel-Qader Saadi" — was not freed from detention.

After the abductions, somewhat confusingly and more in line with Iranian-inspired Shi'ite anti-French sentiment, a called demanded as a condition for their release the cancellation of the prospective barter deal whereby Saudi Arabia will probably buy Mirage aircraft in exchange for oil.

In the event the freeing of Qaadi, a Christian whose real name is Abdullah George Ibrahim, was the foremost condition demanded in respect of M Peyrolles. He was detained on October 25 last year for the use of false passports and "association with criminals." But he is also believed to be suspected of involvement in the murder of Col Charles Ray, U.S. military attache in Paris, and Mr Yaacov Barsimantov, an Israeli diplomat in Paris, in 1982—two of four successful assassinations carried out by LARF out of six attempts.

Since March 14 there have been nine confirmed kidnappings in Lebanon: four Frenchmen (all diplomats), three Britons (a scientist)—released yesterday—a businessman, an employee of the United Nations Relief and Works Agency and on Dutchman (a Jesuit priest).

In addition there are four U.S. citizens still missing from a previous era of more sporadic abductions (a diplomat, two clergymen and an academic), as well as a Saudi diplomat seized more recently.

No clear pattern has emerged. There is underlying resentment against Israel and its occupation of the south, against the U.S. for backing the Jewish State financially and being its unfailing defender in the UN Security Council, against France as the provider of arms for Iraq plus paranoia about Israeli spies and their agents.

Responsibility for six of the nine recent kidnappings has been claimed in the name of Islamic Jihad. If the shadowy entity exists at all, it is likely to be associated with the equally shadowy Iranian-backed Hezbollah, or Party of God, its ally Islamic Amal, led by Hossein Mousawi from his headquarters in the Bekaa Valley, or even militants in the mainstream Shi'ite Amal political and anti-Israeli resistance movement.

On Sunday, however, Sheikh Mohammed Hussein Fadlallah, the Shi'ite cleric believed to be the spiritual inspiration if not leader of Hezbollah (who rarely speaks in public) felt constrained to denounce the kidnappings. He attributed the abductions to the "general situation."

Mr Nabi Berri, a member of Mr Rashid Karami's Government of National Unity, also condemned them. Last week in London, Mr Ali Hosseini, a member of Amal's poltiburo, charged that Christian militants were behind the kidnapping as part of a campaign to prove there can be no security in West Beirut, thus driving all Westerners, diplomats and journalists in particular, into the Christian heartland.

In this obscure situation the LARF demands have cast a ray of light on the anti-French operation. In the meantime, lurking in an even murkier background, is the image of the arch-Arab terrorist of all time, Abu Nidal, whose gunmen were the casus belli for Israel's invasion of Lebanon with their attempted assassination of Mr Shlomo Argov, Israeli Ambassador in London, in June 1982.

Reported dead last year, Abu Nidal's name resurfaced late last summer when a relative stated that he was alive and well. That was followed by a report from the Libyan official news agency that he was visiting Tripoli and finally an interview with him by the Paris-based magazine France-Pays Arabes—the authenticity of which has been disputed.

Yet if he or his heirs are in the Bekaa, which by definition would only be with Syria's blessing, then there is another evil vapour in the pervasive mists enveloping Lebanon.

KIDNAPPERS FREE BRITON

Mr Geoffrey Nash, the British metallurgist kidnapped in Beirut a fortnight ago, was set free yesterday, writes Nora Boustany. He apparently had been mistaken by his abductors as a U.S. citizen.

Mr Nash—who was one of at least nine Westerners led away at gunpoint in the capital's Moslem sector this month—... showed up at his house early yesterday morning and later left the country with his Lebanese wife.

Other Britons who disappeared in and around Beirut this month are Mr Brian Levick, a businessman, and Mr Alec Collett, a freelance journalist working as an information consultant for the UN Relief and Works Agency (UNRWA).

● The relief organisation is moving its British staff out of Lebanon at the request of the British Embassy in Beirut, UN officials told Reuter in Vienna. They said, however, that six international staff would remain in Beirut and three in Tyre to supervise 2,300 local staff in schools, clinics and welfare centres for Palestinian refugees. This remaining

NZ rugby tour warning

NEW ZEALAND Prime Minister David Lange has stepped up government and public pressure on the New Zealand Rugby Union to call off an All Black tour of South Africa, Dai Hayward reports from Wellington.

The Rugby Union is expected to make a final decision on the tour after a meeting with the Prime Minister on Saturday afternoon only hours before he leaves for a tour of African countries.

On Monday the Government banned leave for any civil servant selected to tour with the All Blacks. It also announced a special debate in Parliament calling on the Rugby Union to stop the tour because it will harm New Zealand. Mr Lange also hinted strongly that if the Rugby Union defies the Government and the large body of public opinion which is opposed to the tour the Government will cut off any financial aid for the Rugby Union.

He has publicly warned potential All Blacks and supporters planning to go with the tour their safety could be in danger from public disorder in South Africa.

Hawke gains in popularity

AUSTRALIAN Prime Minister Bob Hawke's popularity has climbed after being shaken last month over his handling of the country's defence policies, according to the Morgan Gallup Poll, Reuter reports from Sydney.

Mr Hawke's Labor Government would have had about the same 16-seat parliamentary majority it now holds if elections had been held in mid-March, according to the poll published yesterday. It said that more than 60 per cent approved of Mr Hawke

Baghdad again hit by Iran

BY OUR MIDDLE EAST STAFF

BAGHDAD was struck early yesterday afternoon by the sixth big explosion within a fortnight—almost certainly an Iranian ground-launched Skud B missile—which left scores of people dead in a thickly populated area of the Iraqi capital.

Eyewitnesses in Baghdad were reported to have seen no fewer than 76 bodies in front of a building wrecked by an explosion as Iran stepped up retaliation against Iraqi attacks on its urban centres, economic targets and maritime traffic serving its ports.

Iran said that the missile attack was a response to rocket strikes against Tehran yesterday and today, which left a dozen people dead, as well as other cities.

Having tried at the weekend to revive a nine-month-old, UN-brokered, truce barring attacks on civilian population centres, which broke down on March 5, Iran appears to have abandoned any consideration of any wider de facto settlement.

A hardening of resolve was indicated yesterday in an interview given yesterday by Mr Ali Mohammed Besharati, First Deputy Foreign Minister. He told the Tehran Times that Iran would seek \$350bn in war reparations as a condition for ending the conflict—compared with a figure originally set at \$150bn three years ago.

He also reiterated the Iranian demand for the trial and "punishment" of President Saddam Hussein of Iraq as well as the repatriation of 20,000 Iraqi refugees (members of the Shi'ite sect) living in Iran as a result of forcible expulsion by the Iraqi regime five years ago.

After the Irfaqi air raid, the war information headquarters in Tehran said that Iran would also retaliate against Iraq's use of chemical weapons. It has claimed that 200 of its troops have been affected by mustard gas in the Huwaizah marshes in recent fighting.

Several dozen serious cases have been sent to Europe for treatment and the U.S. has said that there is evidence that chemical weapons were used by Iraq.

The Islamic Revolutionary News Agency reported that Iran had shelled six southern Iraqi cities. The fire was aimed primarily at military and industrial installations in Basra, Faw, Abol-Khassib, Tammmmah, Sibdan and Zindiyan.

India passes Bhopal Bill

THE INDIAN Parliament yesterday passed a Bill to ensure quicker compensation for all victims of the Bhopal gas disaster and to help the Government file claims on their behalf, Reuter reports from New Delhi. The Bill replaces a presidential ordinance issued five weeks ago.

The Indian Government has said it has not yet decided whether to file a lawsuit on behalf of all victims in either U.S. or Indian courts, or to pursue a possible out-of-court settlement with Union Carbide of the U.S.

Philippine alert

Philippine military authorities yesterday put its armed forces on full alert in anticipation of attacks by the Communist New People's Army on its 16th anniversary tomorrow, Samuel Senoren reports from Manila.

The alert, ordered by armed forces chief Lt-Gen Fidel Ramos, reflects the Government's increasing concern over the capability of the Communist guerrillas to mount an offensive against military and civilian targets.

Malawi's GDP grows 7.6% after good harvest

BY MICHAEL HOLMAN IN ZOMBA, MALAWI

MALAWI REGISTERED 7.6 per cent real growth in gross domestic product last year but, because of declining production of tobacco, the country's largest foreign exchange earner, and continuing high transport costs, the figure could fall to 3.9 per cent this year.

Nevertheless, this robust performance makes Malawi possibly the only African country able to boast a growth rate consistently above the population increase, which, in Malawi's case, is 3.1 per cent a year.

Finance Minister C. I. Bwanali, said in his presentation last weekend of the country's 1985-86 budget that last year's high growth rate was due to an unusually successful agricultural season, with output up 6.3 per cent compared to 4.2 per cent previously.

High world prices for tea, Malawi's second largest foreign exchange earner, sales of stockpiled tobacco and sugar in addition to the 1984 crop, as well as maize, boosted foreign exchange receipts last year to a record Kwacha 431m (£237m), 59 per cent up on 1983.

The deficit on current account fell from Kwacha 182m in 1983 to a deficit of Kwacha 49m, the minister said, and the overall balance of payments saw a turnround of the Kwacha 123.5m deficit in 1983 to a Kwacha 58m surplus.

The 1985-86 Budget anticipates Kwacha 559m recurrent expenditure and development outlay of Kwacha 156m, with an overall budget deficit of Kwacha 104m. Of this, Kwacha 60m will be funded by programme aid and external borrowing, and the balance raised through new taxes.

These include a tax deductible 10 per cent levy on the fob value of tea and tobacco, and an effective indirect sales tax ranging from 5 to 10 per cent.

Transport problems remain the most serious constraint on land-locked Malawi's growth. With the Mozambique ports of Beira and Nacala, cut off by rebel activity, Malawi is forced to use costly overland routes through Zambia and Zimbabwe to Durban in South Africa.

Reagan set to win fourth vote on MX missile programme

BY NANCY DUNNE IN WASHINGTON

THE controversial MX missile programme yesterday beaded fer its fourth burdle as the Democrat-controlled House of Representatives debated the release of $1.5bn to build 21 additional missiles.

The vote, expected late last night or early today, followed a close victory fer President Reagan in the House en Tuesday when 61 Democrats joined with 158 Repuhlicans to authorise release of the funds by a slim 219-213 majority.

Although the second House vote should be a foregone conclusion, the Democratic leadership vowed to fight on against the programme, noting that a switch of just three votes was needed to kill the new weapons.

Congress has already funded 21 MX missiles and the Administration will ask for 48 more later this year.

Mr "Tip" O'Neill, the House Speaker and leading opponent of the MX, claimed that with Tuesday's vote the House had "epproved the concept" but with the next vote "we look at the price tag."

Administration efficials nnanimously hailed the Administration's victory on Tuesday with President Reagan saying that "America has sent a message, loud and clear, that we beek our negotiators (in the Geneva arms talks)."

The Administration's win resulted from an extraordinary lobbying effort which culminated on Monday when 100 Congressmen were drivan te the White House for a personal plea by the President and Mr Max Kampelman, his chief arms negotiator.

Democrats were swayed by the argument that the U.S. moet negotiote from e position of strength and the fear that the party may increasingly eppeer weak on defence. However, many who becked the President on Tuesday gove notice that they would oppose funding for an additional 48 missiles.

Union Carbide chief says U.S. plant poses no threat

BY PAUL TAYLOR IN NEW YORK

MR WARREN ANDERSON, chairman of Union Carbide, the U.S. chemicals group at the centre of the controversy over the Bhopal, India, gas tragedy has told congressional investigators that Bhopal's sister plant in Institute, West Virginia had been inspected "with e fine fine tooth comb" and did not present the threat of a similar distaster.

Mr Anderson, testifying late on Tuesday before sub-committees of the House Energy and Commerce Committee investigating the implications of the Bhopal tragedy which killed over 2,000 people, reaffimed Union Carbide's plan to restart production of Methyl Isocyanate (Mic) early next month.

Production was halted following the disaster at Unien Carbide's Indian subsidiary in December.

The congressional hearings have produced disturbing allegations about chemical air pollution in the U.S. and prompted calls for tighter Government regulation.

During the hearings industry executives, including Mr Anderson, heve backed calls fer stricted government controls over taxic air pollution. But they have warned against overregulation. The move represents a change l nthe industry'o long-held position to tongher controls.

IDB fails to reach decision on Managua loan request

BY PETER MONTAGNON IN VIENNA

THE Inter-American Development Bank annual meeting closed here yesterday without any clear decision on Nicaragua's controversial request for a $58m (£48m) loan that has been blocked by the U.S.

Nicaragua's insistence that political considerations should not determine the bank's lending policy has drawn sympathy from some Latin American delegations. These include Mexico, whose Finance Minister, Sr Jesus Silva Herzog, said loan applications "should be evaluated on the basic and objective criteria contained in the bank's charter."

Yesterday the bank's president, Sr Antonio Ortiz Mena, said there should be no restriction on loans to any member country that has an adequate social and economic purpose.

He said it was too early to say whether Nicaragua's loan would be considered by the bank's executive board.

Mr David Mulford, U.S. Assistant Treasury Secretary for International Affoirs, has said his country's opposition to the loan is on economic rather than political grounds.

Sr Ortiz Mena said the bank hopes to reach ogreement within a year on a new capital increase to take effect from 1987. Currently the bank's capital is $34.5bn of which $2.7bn is paid in.

Norway wants te join the bank, he said and South Korea and Romania are expressing interest. Membership entitles o country to hid for supply contracts for IDB projects.

Brazilian leader remains 'critical'

By Andrew Whitley, in Rio de Janeiro

THE NEXT 24 heurs are expected to be cruelal fer the survival of Sr Tancrede Neves, Brazil's president-elect. Sr Neves remained "critical" yesterday in a Sao Panlo hospital fellowing his third abdominal operation in less than two weeks.

Fresh concern was raised by the appearance of post-surgery infection after his operatien en Tuesday to stannch a haemerrhage in his intestines.

The international financial community in Brazil is beceoming increasingly werried about the prospect of a prolonged period ef instability.

"If something bappens to Tanerede the situation returns to zero," ene Western banker said yesterday, referring to the step-by-step foreign debt renegetiotien process carefully nurtured ever the past twe and e half years.

Acting president Sr Jose Sarney was urged yesterday by leading politicians from the Democratic Alliance, the ruling political coalitien, to start taking ever the running of the country instead of playing the figure-head role

Shooting in area 'once off-limits'

Senior Reagan Administration officials said yesterday that Major Arthur Nicholson, the U.S. army major killed by a Soviet sentry in East Germany en Sunday, bad been taking photographs of Soviet military equipment in an area which had onee been restricted, writes Nancy Dunne in Washington.

The high-level State and Defence Department officials said the building had been designated as a restricted area by the Soviet military, but that restrietion was lifted on March 20, when the Americans were informed of the action in writing.

They said, however, there was no justification for the shooting of Maj Nicholson, who was "in no way" a spy.

Canada agrees oil price pact

The Canadian Government has reached agreement on an oil and gas pricing and tax regime with the provinces of Alberta, British Columbia, Saskatchewan, write Bernard Simon in Toronto.

Details of the long-awaited accord will not be released until it is approved by the federal and provincial Cabinets, probably before the end of the week. The agreement, is likely to include the deregulation of oil prices and other measures weakening provisions of the 1981 National Energy Programme, which imposed an unpopular revenne tax on energy prodncers and aimed at tighter Canadian control of the domestie oil and gas industry.

David Gardner reports on the background to El Salvador's National Assembly elections

Duarte faces threat to political freedom

Sr Jose Napoleon Duarte, the embattled and mercurial President ef El Salvader, is eece egain fighting fer bis pelitical life. Sr Duarte has survived coups ond electoral fraud, torture, exile and desertion by erstwbile centre-left allies, many ef wbem are now pitted egainst his U.S.-backed Government and army le the country's five year-old civil war.

In electiens on Sunday which will decide control of the National Assembly and tewn balls, Sr Duarte faces defeat by El Salvador's powerful far right, probably ending any prospect of his Christian Democrats carrying through the referm programme and peace initiative wbich Sr Duarte began last aotumn.

When Sr Duarte arrived in the north Salvador guerrilla stronghold ef La Palma in mid-October fer his histeric meeting with leaders of El Salvador's left-wing insurgency, his first ection was te present them with a copy ef the country's constitution.

Evidently, the rebels were not impressed. In a second round of telks at the end of November tbey sought to bypass the constitutien, arguing that only through full power-sharing prier to new elections would the left feel they had achieved enougb in terms ef both their safety and policies to come back into the democratic process.

A third round of talks has been postponed indefinitely, while military activity by both army and rebels bas been stepped up. Sr Duarte repeated confidently that be "will not stray one millimetre from the constitution." But he did, and the far right were lying in wait for him.

Sr Duarte veteed o clause in the electoral law passed in December hy the Natioual Assembly, where the extreme right has e blecking majerity. This elause allows the three main parties ef the far right to appear separately en Sunday'e ballot papers but have their vetes counted as a coalition. The vete was declared unconstitutieeal by the Supreme Court, which is also controlled by the extreme right.

The far right's de facto coalitien is spearbeaded by the neo-fascist Arena Party ef Majer Reberto D'Anbuisson, the fermer army intelligence ehlef wbe has been publicly linked to the death squads responsible for thousands ef the more than 50,000 casualties of the civil war.

The junier partners are the National Conciliation Party (PCN)—fer decades the vehicle for thinly-disguised army rule, now pusbed tewards the centre by Arena'e radicalism—and in the capital, the Salvaderean Institutiooal Party (Paisa), a right-wing splinter group of the PCN.

A lot was at stake in the constitutional row over the coalition, siece each party will now get separate entitlements to state election funds. More importantly, the fissiparous right, wbicb despite its numerical superierity in the assembly only just managed to present a common front concerning the electoral law, will be able te maximise its votes. Marginally more moderate PCN supporters whe weuld not vete fer Arena (and vice versa) will now bave their votes counted together, creoting a multiplying effect.

In last March's presidential elections, wbich hrought Sr Duarte to power, the right as a wbole outpolled the Christian Democrats: Arena took just under 30 per cent hwit the PCN winning 19 per cent, against the Christian Democrats who took just over 44 per cent.

Even if the Right does no better on Sunday, the coalition scheme, added te El Salvador's complex proportional representatien system, will translate these figures into extra seats.

Sr Duarte did indeed commit a constitutienal faux-pas since the constitution does not allow fer partial vetoes. Thie has allowed Major D'Aubuisson,

Duarte: faces defeat by the far right which could end any prospects of carrying through his reform programme

famously described by a former U.S. ambassader to San Salvader as "a pathelogical killer," gleefully to accuse the President ef ahusing his powers and setting up o "green dictatorship" (green is the Christian Democrat's party colour and a green shark, its jaws set to snap on the nation's freedoms, is the chosen symbol of the far Right's electien campaign).

Altheugh these freedoms are scarcely apparent to the mass of Salvadoreans who daily endure the savagery and dislocation of the war, both U.S. and Government officials have described the court ruling as e landmark, a strengthening of institutions against rule by gun.

The constitutional confrontation is "like the playing fields ef Eton for Salvadorean democracy," quips one U.S. diplemat.

Sr Duarte and his closest aides, though angry that the court decision did not even address government arguments, choose te stress it is without precedent for a crisis of this magnitude to be resolved other than by army intervention.

U.S. officials, however, have gone further and have recently suggested, in ways that have become public, that it would be unhealthy for Salvadorean democracy were the Christian Democrats te win a legislative majority on Sunday. The logic is simple: if the far right sees its stake in the democratic process whittled away it may revert to violent type. The "pleying fields" analegy works better here since it recalls the archetypal spoilt child who, if not ellowed to play the game eccording to his rules, walks eff the pitch taking his ball with him.

Te stretch the analogy a hit further, U.S. strategy requires it to referee the match and when necessary query the result.

- In the 1982 constituent assembly elections, when the far right won a majority, the U.S. intervened to prevent Major D'Aubuisson becoming president and a compromise candidate, Sr Alvaro Magana, who did not stand in the election, took office. The right was largely ahle to write the constitution, but the radical egrarian reform provisions in it, for example, were put there at U.S. insistence.
- In last year's presidential elections, Washington was accused by Major D'Anbuisson and right-wing Republicans like U.S. Senator Jesse Helms of using pressure and resources to ensure Sr Duarte's victory.
- In the recent constitutional fight, the U.S. embassy is said by Duarte aides, Western diplomats and independent observers, te bove aborted o far-right plan to get the assembly to impeach Sr Duarte (indeed one Duarte adviser says the plan was actually put to the embassy fer clearance).

The U.S. leverage comes, obviously with the over $1.6bn (£1.35hn) in direct military and ecooomic aid it has poured into El Salvedor since the war began, bringing with it, as one U.S. diplemat ruefully edmits, "*a de facto* proconsular role."

This entails eafeguarding a government with democratic eredentials like Sr Duarte's, whicb it needs to persuade Cengress to keep increasing the flow of aid ($459.6m is being sought this fiscal year, with up to $250m in supplementary aid, against o tetal direct aid of $487.4m last yeer).

But it also eppears to entail preserving a role for the far Right even while it sets about politically emasculating this government through the institutions the far Right dominates.

The overall effect is of o lop-sided political process with shifting rules hased on *realpolitik*, rather than an incipient, if threatened, constitutional democracy.

For while the rules can be bent to preserve a precarieus institutional balance between the Centre and far Right, it is well understood by all parties to the conflict thot no extra-constitutional or extra-electoral measures will he taken to accommodate the insurgency. The object of the exercise after all, as some U.S. officials privately admit, is to prevent the Left from attaining power.

The Leutwiler Report has given the morale of Gatt's leaders a much-needed shot in the arm, **William Dullforce** writes from Geneva

What is needed to safeguard the principles of free trade

PUBLICATION yesterday of the Leutwiler Committee report "Trade Policies for a Better Future" could hardly have been better timed. It tables 15 specific recommendations to meet the crisis in the world trading system just as opposition to holding a new round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade (Gatt) apears to be crumpling.

The report by an independent seven-man committee, expounding firmly the need for a return to the basic principles of free trade, comes only a week after the European Community fell into line with the American and Japanese wish for new trade liberalisation talks to follow the Kennedy Round of the 1960s and the Tokyo Round of the 1970s which culminated in Geneva in 1979.

The concidence has boosted morale immensely in Gatt headquarters in Geneva, where only a couple of months ago some senior staff were talking apocalyptically of the possible collapse of the world trading system. Even the more sanguine felt that the credibility of their trade monitoring organisation was seeping away.

Now Mr Arthur Dunkel, the Director-General, and his staff can reasonably hope for a firm decision by the autumn to launch *next year* a new round which, at worst, should halt the erosion of free trade in the face *of growing protectionist* pressures and, at best, could help stimulate a fresh expansion of trade.

Further shoves towards the launching of the round can be expected from the Ministerial meeting of the Organisation for Economic Co-operation and Development (OECD) on April 11-12 and, more importantly, from the finance ministers at the interim and development committee meetings of the International Monetary Fund (IMF) and World Bank on April 17-19.

Finally, the imprimatur of heads of government at the World Economic Summit in Bonn in early May should, it is hoped, commit the main industrialised countries firmly to the proposed global trade negotiations.

The new round would not thereby be cut and dried. The main protagonists still have widely varying views about its purpose and agenda, and the lack of enthusiasm among the developing countries, who form the majority of Gatt members, remains to be overcome.

The European Ministers have acceded to Washington's desire that trade in services be a new subject for negotiation. But their acquiescence has, at least, partly been achieved by the argument, passed on privately by the Americans, that if the Reagan Administration is to *hold the fort against domestic* protectionist pressures, it needs to create a new "constituency" *in favour of free trade.*

Previously, the argument goes, this constituency *comprised U.S. farmers, manufac*turers and organised labour. Only the farmers remain. *In consequence* the *need* arises for the new constituency to embrace bankers, whose international business is expanding fast. Thus, the Administration wants to be seen as working for safeguards for free trade in services.

Brazil and India, two *champions* of *the* developing *coun*tries, have yet to abandon their opposition to a new round. They have *so far regarded it* as likely to be conducted under American stewardship and unlikely to *bring* them *gains.* But several Far Eastern and some other South American countries are *ready* to participate.

A mind-focussing effort of this kind had become urgently needed as the Gatt rules for international trade have been eroded over the past few years. At a rough guess, Gatt staff estimate that roughly 35 per cent of world trade—world exports were valued at around $2 trillion (million million) last year—is now subjected to some kind of non-tariff restriction.

In the list of things that are cited as having gone wrong are the agriculture and textile sectors. The implications for agriculture are grave. The report remarks that Europe is building up stocks of surplus cereals, dairy and other products which it seeks to unload in subsidised exports, while American farmers are denied markets. The Leutwiler report says unequivocally that efficient farmers have good reason to feel cheated of their rights.

The committee wants the present multifibre arrangement (MFA) world textile accord not to be renewed when it expires in July next year.

Three main themes run through the report:

● The first calls on nations to revert to the basic principle of non-discrimination embedded in the Gatt rules. This is the famous "Most Favoured Nation" clause which stipulates that a country must apply to all countries treatment as favourable as that it gives to any one country.

The report is harsh on "abuse" of free trade areas and customs unions in this context.

● A second theme is the recommendation for greater openness and accountability in trade policies, to enable both politicians and consumers to assess the long-term costs of subsidies and other discriminatory measures.

● Thirdly, implicit in the recommendations is a strengthening of Gatt. The proposals do not always distinguish between Gatt as an institution and the work of its secretariat but, if they were adopted, they would move the organisation closer to the role originally envisaged for *it* in the 1940s as the International Trade Organisation, the third pillar alongside the IMF and the World Bank.

The Leutwiler Committee's 15 proposals

1—In each country the making of trade policy should be brought into the open. The costs and benefits of trade policy actions, existing and prospective, should be analysed through a "protection balance sheet." Private and public companies should be required to reveal in their financial statements any subsidies received.

2—Agricultural trade should be based on clearer and fairer *rules, with no special treatment* for *particular* countries or commodities. Efficient agricultural producers should be given the maximum opportunity to compete.

3—A timetable and procedures should be *established to bring* into conformity with Gatt rules voluntary export restraints, orderly marketing agreements, discriminatory import restrictions and other trade policy measures of both developed and developing countries which are inconsistent with the obligations of Gatt contracting parties.

4—Trade in textiles and clothing should be fully subject to the ordinary rules of Gatt.

5—Rules on subsidies need to be revised, clarified and made more effective. When subsidies are permitted they should be granted only after full scrutiny.

6—Gatt codes governing non-tariff distortions of trade should be improved and vigorously applied to make trade more open and fair.

7—Rules permitting customs unions and free trade areas have been distorted and abused. To prevent further *erosion of the* multi-lateral trading system, they need to be clarified and tightened.

8—*At* the international level, trade policy and *the functioning* of the trading system should be more open. Countries should be subject to regular oversight or surveillance of their policies and actions.

9—When emergency safeguard protection for particular industries is needed, it should be provided only in accordance with the rules: *It should not* discriminate between different suppliers, should be time-limited, linked to adjustment assistance, and subject to continuing surveillance.

10—Developing countries receive *special* treatment in Gatt rules. But such special treatment is of limited value. Far greater emphasis should be placed on permitting and encouraging developing countries to take advantage of *their competitive* strengths and on integrating them more fully into the trading system.

11—Governments should be ready to examine ways and means of expanding trade in services and to explore whether multi*lateral* rules can appropriately be devised for this sector.

12—Gatt's dispute settlement procedures should be reinforced by building-up a permanent roster of non-Governmental experts *to examine disputes*, and by improving the implementation of panel recommendations. Third parties should use their rights to complain when bilateral agreements break rules.

13—*The committee supports* a new round of Gatt negotiations, provided they are directed toward the primary goal of strengthening the multilateral trading system and further open*ing world markets.*

14—To ensure continuous high-level attention to problems in international trade policy and to encourage prompt negotiation *of solutions*, a permanent ministerial-level body should be established to Gatt.

15—The committee stresses the urgency of resolving the world *debt* problem, the need for adequate flows of development finance, better international co-ordination of macro-economic policies and greater consistency between trade and financial policies.

Mr Fritz Leutwiler

Members of the Leutwiler Committee:

Chairman: Mr Fritz Leutwiler, until the end of 1984 Chairman of the Swiss National Bank and President of the Bank for International Settlements. Now Chairman-designate of Brown Boveri.

Senator Bill Bradley (Democrat, New Jersey), member of the Senate Finance Committee.

Sumitro Djojohadikusumo, Professor of Economics, University of Indonesia.

Mr Pehr Gyllenhammar, Chairman of Volvo.

M Guy de Lacharrière, Vice-President of the International Court of Justice.

Mr Indraprasad Patel, Director of the London School of Economics and former Governor of the Reserve Bank of India.

Sr Mario Simonsen, Director of the Postgraduate School of Economics at the Getulio Vargas Foundation, Rio de Janeiro.

U.S. presses Japan on imports

BY NANCY DUNNE IN WASHINGTON

THE REAGAN Administration and U.S. legislators kept up the pressure *yesterday for Japanese trade* liberalisation as the April 1 deadline approached for the finalisation of regulations governing Japan's newly privatised telecommunications markets.

The Senate Finance Committee unanimously approved a resolution *which should have no difficulty* passing the full Senate, calling on President Reagan to demand that Japan buy enough additional U.S. imports to offset the impact of increased car shipments. The measure, which is non-binding, declares Japan to be an "unfair" trader and contends that the U.S. trade deficit results from closed Japanese markets.

The resolution, sponsored by Senator *John C. Danforth*, a *Missouri* Republican, calls on the President to use laws on the books which give him broad authority to curb imports of countries found to be in violation of international trading rules.

Meanwhile, Mr Larry Speakes, the White House spokesman, warned Japan yesterday that its apparent decision to maintain "voluntary restraints" on Japanese car exports could not be "an acceptable substitute for market opening."

Reports from Tokyo said Japan has decided to *maintain* voluntary *quotas on* car and truck exports to the U.S. but would raise the number by 450,000 a year from 1.85m in *1984-85. The President* said he would have no objection to dropping the restraints.

There are other onerous signs on *Capitol Hill of trouble* between the U.S. and Japan if *no* satisfactory agreement is reached on liberalisation. Senator John Heinz, a Pennsylvania Republican, is seeking co-sponsors for a Bill to impose a 20 per cent surcharge on all Japanese imports for three years.

Boost for Italian machine tools

BY ALAN FRIEDMAN IN MILAN

ITALIAN machine tool manufacturers achieved a recovery in both foreign and domestic sales last year.

According to Ucimu, the manufacturers' association, domestic orders were up by an impressive 49.7 per cent, while foreign orders rose by 46.6 per cent.

The improved picture, however, came after two difficult years for the Italian industry, during which sales were more or less stagnant.

The 1984 combined sales figure for the Italian machine tool sector came to L1,750bn (£776m), which represented a rise in nominal terms of 11 per cent and in real terms of 6 per cent.

But the 1984 sales figure, while an improvement, is the same as the equivalent turnover for 1981 (see table).

ITALIAN MACHINE TOOLS INDUSTRY
(*Lire bn*)

Year	Sales	Exports
1981	1,750	904
1982	1,560	880
1983	1,575	900
1984	1,750	980

Source Ucimu

Exports last year were up by 8.9 per cent, to L980bn and the sector achieved a trade surplus of L659bn for 1984.

This compared with a 1983 *trade surplus of* L624bn. Although the surplus is larger, imports last year did grow by 16 per cent in *nominal terms*, to L321bn.

Together, Italy's 400 machine-tool makers employed 28,500 people at year-end. This compares with employment of 30,800 in 1983, a drop of 7.5 per cent.

Officials at Ucimu said the Italian Government had agreed to make available more than L500bn in grants to industry which in turn needs to make capital investments in machine tools.

This indirect assistance is designed to stimulate domestic demand *for the* sector. It functions by offering companies wishing to install machine tools up to *25 per cent* of the purchase price.

Bid to cut EEC paper mountain

Efforts to reduce the *paper* mountains at EEC border points took a significant step forward *yesterday* when Industry Ministers approved a scheme to computerise customs procedures, *Ivo Dawnay* in *Brussels writes.*

Exchange of information for the agricultural market alone involves more than *200,000* telexes a year. For manufactured goods, customs checks add an *average* 6 per cent to costs.

The scheme, called CADDIA, involves establishment of standards to link computer *systems* in the European Commission and member states. Implementation should be completed in 1P years.

Two Italian companies win Libya steel plant order

BY JAMES BUXTON IN ROME

TWO ITALIAN companies, part of the state-owned IRI group, have won a contract worth about L300bn (£136m) to manage the steel plant being built by the Libyan Government at Misurata.

The two companies, Italimpianti, which specialises in the design and erection of process plant, and Italsider, Italy's major state-owned steel producer, are to have *responsibility* for the management, production and maintenance of the plant which is *still under* construction.

They will train about 50 Libyan personnel both in Italy and Libya, and supply hardware and software for the computerised control centre of the steel plant.

The plant, an integrated complex being built by German, Austrian and Japanese *companies*, will have a capacity of about 1m tonnes a year.

The contract is the first which Italimpianti has won for managing as opposed to building steel plant. The IRI companies are to be paid in cash.

Peru arranges barter deals worth $320m

By Peter Montagnon in Vienna

PERU has contracted countertrade deals worth a total of $320m (£290m) since the last quarter of 1984 in an effort to reduce its arrears on supplier credits, said Sr Guillermo Garrido-Lecca, Peru's Finance Minister. He was in Vienna to attend the annual meeting of the Inter-American Development Bank.

The deals include $200m in business with the Soviet Union from which Peru has bought military equipment worth $1bn, he *added.*

Peru introduced a new countertrade policy last year under which suppliers were encouraged to contract export orders with Peruvian industry to [illegible] arrears provided that [illegible] per cent of the orders are from non-traditional export sectors.

For example, the Soviet Union recently ordered $10m worth of Peruvian shoes. "That will solve this year's problems for the Peruvian shoe industry," Sr Garrido-Lecca said.

Countertrade deals worth $70m have also been arranged with Yugoslavia's Energoproject as a means of payment for the Chira-Piura irrigation project, he added.

A further deal is likely to be concluded in the coming weeks for Ferrostahl of West Germany.

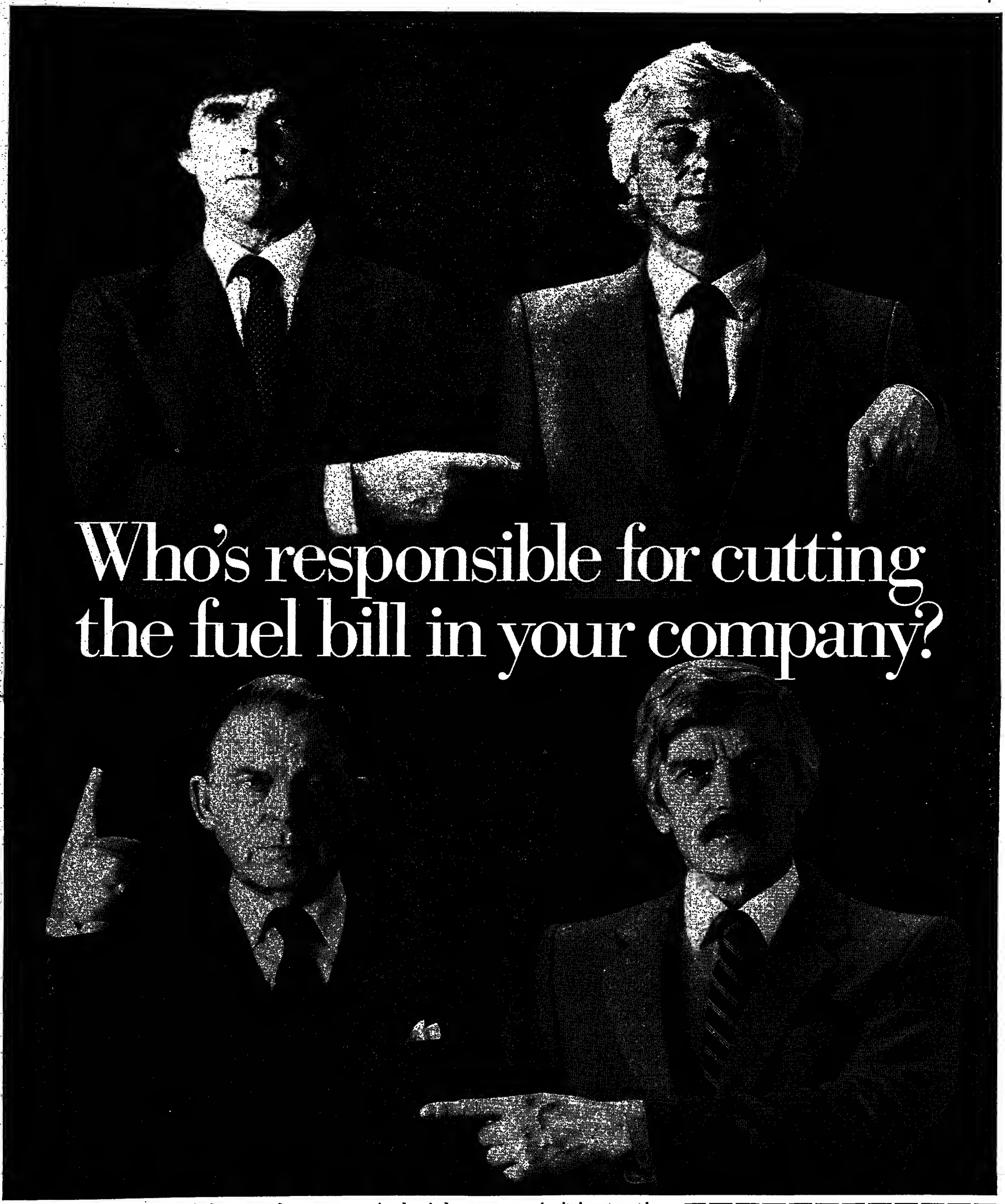
Sr Garrido-Lecca said the countertrade business had virtually eliminated supplier credit arrears, but Peru, whose net foreign exchange reserves are negative by more than $1bn, still has arrears of $150m to commercial bank creditors and $70m to Paris Club governments.

Peru is paying a further $16m of back interest to creditor-banks this month. This month, it is also paying about $15m to Paris Club Governments, the first interest payments since last summer.

Brussels to provide Lagos with Ecus 200m

The European Community is to provide Nigeria with Ecus 200m ($160m), Reuter reports from Lagos.

Herr Dieter Frisch, EEC director-general for the Third World development, said a quarter of the total would be in grants and the rest in loans for 40 years with 10 years' grace at 1 per cent interest. It is the first major loan from the Community to Nigeria under the Lomé Convention.


Who's responsible for cutting the fuel bill in your company?

STUDY OF ADVERTISING AS ALTERNATIVE TO LICENCE FEE INCOME

Inquiry into funding of the BBC

BY RAYMOND SNODDY

MR LEON BRITTAN, the Home Secretary, yesterday announced an inquiry into the future funding of the BBC and an increase in the colour television licence fee from £46 to £58 a year.

The settlement, Mr Brittan said, was enough to enable the corporation to maintain its present level and range of services. But enhancements and expansion would have to be largely paid for by increased efficiency.

The £58 licence fee will run initially for two years while possible changes in the system of financing broadcasting are considered.

If changes cannot be made within two years, or if the status quo is to continue, the £58 licence fee will run for a third year at the same rate.

The chairman of the inquiry will be Professor Alan Peacock, a former chief economic adviser to the Department of Trade and Industry and at present research professor in public finance at Edinburgh's Heriot-Watt University.

The seven-strong inquiry is expected to report to the Home Secretary by the summer of next year.

Mr Brittan said the inquiry would "assess the effects of the introduction of advertising or sponsorship" on the BBC as an alternative or a supplement to the licence fee income.

"One of the central questions for the committee is the possible impact the introduction of advertising would have on the character and quality of all broadcast services," Mr Brittan told the House of Commons.

Last night the BBC welcomed the decision to set up the inquiry and said the breadth of its terms of reference met in virtually every detail arguments put forward by the BBC.

The corporation noted, however, that the settlement "falls far short of the £65 we wanted which would have given the BBC another £350m to spend."

Mr Brittan conceded that some cost increases were unavoidable but emphasised that there was a limit to what licence fee payers could reasonably be expected to afford.

"I believe, however, that the BBC could and must achieve greater productivity than it has done in the past or has so far planned in future," he said. There was scope for greater efficiency through "improved management procedures and strengthened management attitudes."

The Home Secretary said he would, with the BBC and the Post Office, be urgently looking for better ways of collecting the licence fee.

The Home Secretary emphasised that the introduction of advertising on the BBC would have implications for the independent television (ITV) and radio companies, newspapers and for the Exchequer.

He also emphasised that the ITV companies were the market leaders in terms of cost and suggested that one of the effects of introducing advertising on the BBC would be to make the ITV companies more efficient.

Business support schemes repackaged

By Our Industrial Editor

THE GOVERNMENT yesterday announced measures to simplify the assistance schemes on offer to business from the Department of Trade and Industry (DTI). It indicated that it would continue to shift resources from block grants to advisory schemes.

Mr David Trippier, the industry minister with responsibility for small businesses, said that the previous package of some 64 schemes on offer from the DTI was "confusing the very people we were seeking to help – particularly the small businessman."

The schemes have been reduced to four main areas – business and technical advisory services, support for innovation, support for national and regional investment and support for exports.

The DTI has set up inquiry points centrally and around the country, briefed to direct business callers to the appropriate department for assistance.

Mr Trippier said that the DTI was tending to move away from regional and investment grants towards advice schemes, and that these latter projects would continue to expand in coming years.

These schemes include advice, free to the user, for small businesses; support of up to 75 per cent of the costs for 15 days of consultancy to help companies improve their products or their production processes; and grants, also of up to 75 per cent, to companies which wish to make feasibility studies of the application of new technology.

This emphasis on partnership between government, consultants and industry parallels other announcements on government aid.

Industry ministers, including Mr Norman Tebbit, the Industry Secretary, have stressed in past weeks the Government's reluctance to continue or extend direct support for industry, but instead its willingness to offer advice and assistance over a start-up, or a difficult period.

The continued emphasis on the small business sector – seen as the main focus of employment growth – was also confirmed in a linked announcement that advisory services will now be made eligible for companies employing up to 500 employees – rather than, as now, companies with between 60–1,000 employees.

Mr Trippier said yesterday: "I believe these kinds of advisory services can be of immense benefit to small firms. By targeting them more precisely at the small firms' sector in this way, we aim to deploy this kind of support where it can have the best effect."

He added: "These new arrangements represent a better service for our customers, industry and commerce. We have always had a good product. Now we have the marketing and back-up servicing facilities to match it."

Pit leaders expected to decide ban on overtime should end

BY JOHN LLOYD, INDUSTRIAL EDITOR

THE EXECUTIVE of the National Union of Mineworkers (NUM) is today likely to set in motion an end to the 17-month overtime ban.

There is growing evidence that the left-led NUM areas are now in favour of regrouping and trying to gather strength for a pay campaign in November. The overtime ban was imposed in protest at a 5.2 per cent pay offer by the National Coal board.

At the same time, pressures from the right-led areas will increase. Leaders of the white-collar section, Cosa, have held informal discussions with leaders of Nottinghamshire, Leicestershire and South Derbyshire – the so-called "democratic section" of the NUM – and may decide to join this grouping. Mr Trevor Bell, the Cosa general secretary, will consult his members this weekend.

The area results on the ballot vote on the 50p a week levy to support miners sacked during the strike – which produced a 54 per cent vote against the levy – show that only Scotland and the tiny Kent coalfield produced convincing votes for it. Yorkshire, the biggest coalfield, only just scraped a "yes" vote, with South Wales little better. The north-east of England, Lancashire and the English Midlands ran heavily against.

Right-led areas such as South Derbyshire and North Wales are certain to call for the overtime ban to be lifted – with the former threatening to end it unilaterally on Monday if no decision is taken by the executive to do so.

They are likely to get varying degrees of support from South Wales, Scotland and even Yorkshire, where extensive and at times bitter debate is going on over future policy.

The Yorkshire area council last week voted to re-enter consultation with the coal board, at least at pit and area level. At other meetings this week, area leaders have debated the pros and cons of retaining or scrapping the overtime ban.

A motion to scrap the ban would constitutionally be required to go to a special delegate conference of the union.

There is growing opinion on the left of the union that Nottinghamshire – the coalfield where the majority of miners continued to work during the year-long strike – should not now be expelled from the union.

● The National Coal Board yesterday announced its expected reorganisation of senior management, which will create an executive committee of senior directors charged with introducing a new managerial style into the industry, and with reducing both its losses and its manpower.

The first decentralisation comes with the creation of a second national "front line" headquarters in the Nottinghamshire coalfield.

Mr Ken Moses, the North Derbyshire area director, and Mr John Northard, Western area director – both of whom were successful in breaking the strikes in their areas by encouraging miners to return – become respectively technical and operations directors.

Crown Suppliers may go to private sector

BY ROBIN PAULEY

THE GOVERNMENT is thinking of privatising the Crown Suppliers, its central purchasing agency for government departments, which also includes the armed forces, local authorities and nationalised industries as its customers.

Mr Patrick Jenkin, Environment Secretary, announced yesterday that a review team led by a Cabinet Office official would consider the future of the Crown Suppliers "and in particular whether it would be in the public interest to transfer to the private sector the activities, or part, at present undertaken by the organisation."

The Crown Suppliers is a branch of the Property Services Agency, which manages the Government's £10bn estate. It used to be called PSA Supplies, but last year was renamed and revamped with a new approach to marketing within the public sector.

The Crown Suppliers acts as a trading fund buying and selling everything from furniture to fuel oil and buys enough carpet in one year to stretch two-metres wide from London to Moscow. Its last annual report showed sales for 1983-84 of £228m, an increase of £7m over the previous year.

The profit was £8m, a rate of return on capital employed well above the Government's 5 per cent target, but still well down on the £10.9m profit on £221m turnover in 1982-83.

Mr Jenkin told the Prime Minister last autumn that the Crown Suppliers should be sold off if possible but it was allowed to develop its new identity first.

If the review team decides the Crown Suppliers should be privatised, Mr Jenkin wants to know how it might be achieved during the life of the present parliament.

If it decides the organisation should not be privatised, it should recommend whether any change of status within the public sector would assist the Crown Suppliers to meet its objectives.

Norcros in agreed £113m bid for UBM

NORCROS, the building materials and engineering group, yesterday renewed its courtship of UBM, one of the leading UK builders' merchants with an agreed takeover bid valuing UBM at £113m, Charles Batchelor writes. Norcros originally made a contested takeover bid worth £64m in August 1983, but despite increasing its offer to £75m it failed then to secure its prize.

If the new bid is successful it will create a broadly-based building materials group engaged in manufacturing and merchanting with sales of £670m in 1983-84, and employing 18,400 people in the UK and abroad.

The failed 1983 bid attempt left Norcros with a 36.5 per cent stake in UBM. This proved the key to yesterday's takeover agreement. Norcros's large holding could have been used to block UBM's expansion plans.

Mr Allen Sheppard, UBM's chairman, said: "Having got UBM down to a clean core of businesses we could either build on that – though Norcros's 36.5 per cent stake would have required an instant commercial payback – or we could sell to Norcros."

UBM's board, headed by Mr Roger Pinnington, who joined as chief executive in 1982, has turned the company round from a £2m loss in the year ended February 1982 to a forecast profit of £13.5m in the year to February 1985.

Despite UBM's recovery many analysts expressed surprise at the level of the Norcros offer. "This is a knock-out bid if ever there was one," commented one.

Norcros is offering seven of its own shares and 840p cash for every 10 UBM shares. Norcros's shares fell 14p to 153p yesterday to value the offer at 191p for each UBM share – a total of £112.8m. There is a cash alternative worth 189p a share.

UBM's shares rose 28p yesterday to a new 1984-85 high of 187p. The bid is being recommended to shareholders by the UBM board – which has only 0.1 per cent of the shares – but UBM said other major shareholders had reacted positively.

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□ STUDY of a second site for a private-sector barrage across the Severn Estuary in the West of England to generate electricity by tidal power is being supported by the Government.

□ PILOTS used to guide ships into British ports could be reduced in number by up to 50 per cent to about 700 if Government proposals were implemented, according to evidence given to a House of Commons committee.

Mr A.G. Robinson, chairman of the British Ports Association said new technology could reduce substantially the number of pilots needed. However, the UK Pilots Association rejected the claim that there was an overall surplus of pilots.

□ FUTURE Technology Systems, the British microcomputer company which ran into a severe financial crisis last year, is aiming for a 20 per cent increase in turnover and a return to profitability this year.

Mr John Gilhooly, the chief executive, said the company was pressing ahead with its recovery plan. "We have identified all the major problems and have instituted remedial courses of action in all areas," he said.

□ BRITISH Rail separated pay increases from productivity questions when it made its annual wage offer to manual workers – a significant departure from the practice of recent years. The offer, worth an average of 5 per cent against claims for a rise of up to 33 per cent, is being studied by Rail Unions.

□ THE TRADES Union Congress (TUC) has appointed Mr Ken Graham as its deputy general secretary. Mr Graham, 62, is at present an assistant general secretary with responsibility for employment and industrial relations. He will take over immediately as deputy to Mr Norman Willis, TUC general secretary.

Pirelli invests in new truck tyre

BY JOHN GRIFFITHS

PIRELLI is investing £5m at its Burton-on-Trent plant to produce a new generation of low-profile truck tyres which, the company claimed yesterday, should produce a "dramatic increase" in its 6 per cent share of UK truck tyre sales.

The investment forms part of a strategy under which the wholly owned subsidiary of the Italian tyre producer plans to build on a continuing, substantial recovery in its UK fortunes over the past year.

The company announced a net profit for 1984 of £4.6m, which compared with a £200,000 profit for 1983 and combined losses of £25m in 1981 and 1982, as Pirelli's UK offshoot, like the rest of the tyre industry, sought to come to terms with substantial over-capacity.

It forms part of Pirelli (UK), the holding company which groups together Pirelli's tyres, cables and cable-laying interests and which has also reported a profit increase, at the operating level, of £28.5m compared with £18.8m in 1983.

The truck tyres investment is being made despite figures from Mr Joe Denton, the company's manufacturing director, showing that UK truck tyre production capacity, at 4m tyres a year, exceeds UK market demand by 100 per cent.

Pirelli's belief is that the high-performance tyres, unveiled in a national TV campaign last week, will allow Pirelli to repeat in the truck market the success it has already achieved with its premium-priced, high performance car tyres.

Since the late 1970s, Pirelli has concentrated increasingly on producing high-performance car tyres. This is in keeping with car manufacturers' own efforts to produce vehicles with higher equipment, comfort and performance levels, and a trend by motorists to replace conventional tyres fitted as original equipment with low-profile tyres when the original set wore out.

Mr Martin Wood, sales and marketing director, said yesterday, that low-profile tyres' share of the replacement market had risen from 13 per cent in 1980 to 23 per cent last year, with a share of 40 per cent forecast for 1990.

As a result of the trends, Pirelli's share of the total UK original equipment and replacement tyres market had risen from 8 per cent in 1980 to 14 per cent last year.

With UK vehicle production dropping back below the 1m mark last year, the company forecasts that there will be little or no growth in the total UK car tyre market of about 22m units last year. This stagnation in the UK market, however, is being offset in Pirelli's case by exports, which now account for 40 per cent of total output from its plants at Burton-on-Trent and Carlisle.

Pirelli attributed its turnround to substantial plant rationalisations and productivity improvements over the past two years, as well as increased sales. It now employs 3,500 in the UK, a total expected to be increased slightly through the addition of technical staff to establish the new truck tyres operations.

IAE forecasts $3.5bn market for aero-engine

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

INTERNATIONAL Aero Engines (IAE) the seven-company, five-nation consortium developing the new V-2500 aero-engine for future civil aircraft, believes it has an immediate market potential of at least 860 engines worth $3.5bn.

Mr Mike Keen, executive vice-president of the group, said in London yesterday that orders from three airlines so far – Pan American, Cyprus Airways and Inex-Adria of Yugoslavia – for the V-2500 in Airbus A-320s brought total orders to 62 engines, with another 92 on option, worth in all about $600m, excluding spares.

He said the longer-term market for the V-2500 engine, in the 29 world airlines that IAE believes are logical targets for sales, might bring that total up to about 860 engines, worth about $3.5bn at 1985 prices.

Participants in IAE include Rolls-Royce and Pratt & Whitney (each with 30 per cent), Japan Aero Engines, with 23 per cent, MTU of West Germany (11 per cent) and Fiat Aviazione of Italy (6 per cent).

Leading sub-contractors include Rohr Industries of the U.S. and Short Brothers of Belfast, which jointly have a contract to provide the engine nacelle, thrust reverser and other parts of the engine, accounting for some 25 per cent of the total.

Mr Keen claimed yesterday that on present performance estimates, the V-2500 would have about 9 per cent better fuel consumption than its direct rival, the Franco-U.S. (Snecma-General Electric) CFM-56-5.

He said IAE had signed a memorandum of understanding with McDonnell Douglas of the U.S. to use the V-2500 engine in the MD-89 aircraft, e derivative of the current MD-80 series of short-to-medium-range jets, seating up to about 180–190 passengers.

IAE, he said, was discussing with Airbus Industrie the possibility of using the V-2500 in another potential model, the long-range, four-engined TA-11.

Although the TA-11 has not yet been formally launched, many airlines have shown interest. The aircraft is being designed for very long ranges with smaller passenger loads than for the bigger Boeing 747.

Mr Keen said Boeing was also interested in the V-2500 for its own projected contribution to the 150-seater aircraft market, due in 1992, but Boeing had not yet decided which powerplant to use.

The V-2500 is being designed for thrusts of between 23,000 lb and 25,000 lb, but plans envisage building other versions to over 30,000 lb.

Worldwide demand for engines in the broad 25,000 lb-thrust category might amount to 7,000 engines up to the end of this century. IAE itself would hope to capture orders for up to 4,500 engines.

Reforms in capital gains tax create loophole

THE EXTENSION in the budget last week of the inflation-adjustment provisions for capital gains tax (CGT) is expected to have two main effects on trading in the market for government gilt-edged securities and other bonds, Clive Wolman writes.

It may also allow large institutional investors such as insurance companies to evoid paying any more capital gains tax and boost the investmeot returns to their policyholders.

As part of a reform to make the CGT indexation provisions both simpler and more comprehensive, the Chancellor of the Exchequer anoounced in the budget these two changes to take effect from April 6:

● The indexation rules can be used to convert e nominal capital gain no selling an asset into a real (inflation-adjusted) capital loss or to increase a nominal capital loss which can then be offset against real capital gains for tax purposes.

● The indexation rules will apply for no matter how little time an asset is held, thus repealing the 12-mooth-holding restriction.

An adjustment for at least one month's inflation – as measured by the retail prices index (RPI) – can be made for any asset provided it is sold in e different month from the one in which it was bought.

Taxpaying investors will thus be able systematically to buy and sell back securities over the last night of any month in which they estimate the RPI has risen, to generate as large capital losses as are necessary to offset against all their taxable capital gains.

The Inland Revenue confirmed on Tuesday that there were no plans to close this loophole in the forthcoming Finance Bill. It would, in any case, be difficult to do so without reversing the budget reforms. A new requirement to hold an asset for at least one month before the indexation allowance could be claimed would merely force investors to hold on for a mooth and e day. Any risk that, say, the gilt market could move against them in the interim could be hedged by selling gilt futures contracts or dealing in options.

The other tax-planning opportunity the budget creates is simpler

Under today's market conditions, an investor can buy a gilt with a 12 per cent coupon for £100, the redemption price. He will be liable to income tax on the interest but if be sold the gilt for £100 be would generate a real capital loss equal to the rise in the RPI over the period of his holding.

If the investor faces the same marginal tax rate of 30 per cent oo his capital gains as he does on his investment income, the reduction in his CGT bill from his capital loss will cancel out the income tax paid on the inflatioo-compensating part of his interest.

British Council cuts 'harming relations'

BY ROBERT MAUTHNER, DIPLOMATIC CORRESPONDENT

CUTS MADE by the Government in the budget of the British Council were harming Britain's relations with other countries, Sir John Burgh, the council's director general, told the House of Commons select committee on foreign affairs yesterday.

"I have become convinced that the reduction of British representation and the information effort overseas has been excessive," Sir John told the committee, which is examining the Government's overseas expenditure programme.

The cumulative cut in the council's fund since 1979 had been 20 per cent in real terms and a reversal of this trend was urgently needed, he said.

The increase in funding that he considered necessary was very small, only about £2m a year in real terms. That would still leave a cumulative cut of 15 per cent since 1979.

Sir John emphasised that the council was not just sitting on its hands and "whingeing." It was making serious efforts to become more efficient and to increase its revenues. He listed four main areas in which income was being increased:

● Revenue from all sources between 1980-81 and 1985-86 will have risen from 19 per cent to 26 per cent of the council's main budget. A council spokesman later said that the estimate of total revenue for 1985-86 was £29.5m, compared with £26.2m in 1984-85.

● In the same five-year period to 1985-86, revenue from direct teaching of English had risen by 33 per cent to an estimated £23m in the current financial year.

● In the last three years the council had raised some £700,000 through the business sponsorship of arts.

● The council's educational counselling service had raised £5,000 from each of 71 institutions, making a total of £355,000.

Last mooth, the British Council announced a programme of closures and cuts to meet the additional savings of £1.1m required by the Government for its 1985-86 budget.

Sleipner veto 'may lead to higher gas prices'

BY DOMINIC LAWSON

THE NATIONAL Gas Consumers' Council, the gas consumers' watchdog, yesterday warned MPs that the Government's recent decision to veto a plan by British Gas to buy $30bn of gas from Norway's Sleipner field in the North Sea could lead to higher UK gas prices for consumers.

The council appears to share the corporation's view that, in the absence of Sleipner, it is not clear that it will have enough gas to satisfy UK demand in the next decade.

Miss Sheila Black, the chairman of the council, said yesterday: "We fear that a shortage of gas could lead to a price disadvantage to consumers." Mr John Winward, who carried out work on gas depletion for the council, told MPs from the House of Commons energy committee, "Imports from Norway provide stability. By doing away with that stability you create a sellers' market where British Gas may have to push up prices to consumers."

Mr Winward added: "It is no good having a gas supply thet cannot deal with the coldest day of the year." The Department of Energy's belief that Sleipner gas is not needed rests on the assumption that in the first half of the next decade British Gas will be supplied from UK gasfields which have yet to be discovered.

The most weighty criticism of the Governmeot's controversial decision is likely to come on May 1, when Sir Denis Rooke, the chairman of British Gas, gives evidence to the committee's investigation into the Government's gas policy.

UK NEWS

Housing costs prove biggest single factor in retail prices rise

BY PHILIP STEPHENS

INCREASED housing costs, reflecting in particular higher interest payments on mortgages (house purchase loans), contributed more than a quarter of the increase in the retail price index of 5 per cent last year.

An analysis of the rise in prices published in the Employment Gazette shows that housing costs rose by 8.8 per cent in the year to January 1985.

Within that figure, mortgage payments increased by 16 per cent, rents by 5 per cent and rates and water charges by about 8 per cent.

Housing represented nearly 14.9 per cent of the retail price index, so it accounted for 1.3 per cent of the overall 5 per cent inflation rate.

Among other goods or services with price rises above the average were tobacco (up 12.7 per cent), alcoholic drinks (up 5.8 per cent) and services (5.4 per cent).

Among general influences on prices in 1984, higher labour costs and sterling's fall in value against other currencies were major causes of upward pressure.

A fall in productivity pushed the growth of unit labour costs up to an annual 4 per cent compared to 1.6 per cent in 1983, while the pound's weakness contributed to an 8.4 per cent increase in manufacturers' input costs.

There were also, however, a number of favourable influences on retail prices, including a further weakening in world commodity prices, good harvests for fruit and vegetables and slower growth in nationalised industry charges.

Prices for durable goods, transport and vehicles, clothing, food and fuel all increased by less than the average inflation rate.

The pattern of spending last year has prompted the Department of Employment to change the weights for various items for calculation of the index in 1985.

Housing has been given a new weight of 15.3 per cent, while the weighting for food has been reduced to 19 per cent from 20.1 per cent.

Among other changes, the weight for durable household goods has been reduced to 6.5 from 6.9 per cent and that of transport and vehicles to 15.6 from 15.8 per cent.

For 1985 the Government has forecast that the annual inflation rate will rise to about 6 per cent in the summer before falling back to about 5 per cent in the last three months of the year.

It foresees housing costs rising by an annual 7 per cent, food prices by 4 per cent, nationalised industry charges by 5½ per cent and other prices by 5 per cent.

Traders oppose plan to lift Sunday controls

BY ROB BROWN

SMALL SHOPKEEPERS are overwhelmingly against Government plans to lift restrictions on Sunday trading, fearing the change would put many of them out of business, according to a survey.

The poll, commissioned by the Association of Independent Retailers (AIR), shows that 83 per cent of small traders are opposed to deregulation of Sunday. On the issue of extending weekday opening hours, only 11 per cent support late night opening after 8pm.

Mr Bill Banning, the association's chief executive, said: "We hope that the results of the survey will cause the Government to have second thoughts before pressing ahead with major changes. A free-for-all on Sunday trading will lead to the closure of thousands of small shops and benefit no-one but the large multiples."

This echoes the fears of the Council for Small Industries in Rural Areas, who have warned that deregulation could have a dramatic effect on the survival of small shops. The council has appealed for support from the Government to prevent the "imminent closure" of 50 per cent of these shops over the next five years.

Small retailers are pessimistic about their prospects of influencing the Government, however. A separate AIR study suggests that 91 per cent expect the Government to press ahead with deregulation regardless of their views.

Hi-tech insurance link

BY RAYMOND SNODDY

BRITISH TELECOM yesterday launched what it claimed is Britain's first information technology service for the insurance industry.

A pilot service called Mediat will link nearly 100 brokers directly with the computers of nine insurance companies — Commercial Union, Equity and Law, Legal and General, the Minster Group, Phoenix, Prudential, Save and Prosper, Standard Life and Sun Life.

The brokers will be able to use desk top microcomputers to obtain immediate quotes on new insurance business, obtain unit prices or raise queries on policies direct from the central computers of the insurance companies involved.

BT's pilot scheme, which is free to users, will continue until the autumn when Mediat will be launched as a commercial service. Eight insurance companies and 16 brokers are already connected. A further 55 brokers will be added today. The number will grow to 95 by mid-April.

A number of leading computer companies, particularly IBM, have interests in the insurance market. Earlier this month ICL announced collaborative ventures aimed at providing a national network to link insurance companies, Lloyd's of London and provincial insurance brokers.

BT's service will use its public data network Packet SwitchStream, which already allows access at local call charges for 70 per cent of the UK business community. The percentage will rise to 90 by the end of this year.

BUSINESS LAW

Bhopal lesson for multinationals

By A. H. HERMANN, Legal Correspondent

THE TRAGEDY of Bhopal may not, after all, lead to the mammoth litigation anticipated by those U.S. lawyers who converged on the survivors of the Union Carbide plant disaster. Mr Ashoke Sen, the Indian Minister for Law and Justice, told the Financial Times recently that the Indien Government was prepared to forgo litigation on the right terms. Somewhat incongruously, he added: "If the American company would submit to the jurisdiction of our courts here, we might not have to go to the U.S."

A settlement would be in the interests of all parties concerned except the lawers—in the recent asbestos litigation 63 per cent of the compensation paid was consumed by expenses and legal fees. An out-of-court settlement would enable survivors of the tragedy to get some compensation when they need it instead of waiting for the outcome of litigation which could easily drag on for ten years. Union Carbide would also be better off if it could pay reasonable compensation now instead of having the threat of claims running into billions of dollars hanging over its head, to the detriment of its goodwill and creditworthiness.

Finally, the Indian Government would be spared the embarrassment of having the dirty linen of its local and central administration laundered in U.S. courts where the Union Carbide lawyers would be bound to bring it to establish that the Government had at least partial responsibility for the tragedy. This concern must have played a role in the swift legislative action by which the Indian Government assumed powers to sue Union Carbide for compensation on behalf of the victims, and in this way to establish for itself a position in the negotiations for a settlement.

Even if there is no litigation, multinational companies will no doubt feel obliged to study carefully the legal issues and to rethink the parent company's relationship to Third World subsidiaries. They might easily conclude that it is sometimes better to forego a big contract rather than be pushed by the host government into a situation leaving them with little control and undiminished liability for local malpractices. Closer to home, the Bhopal disaster is a reminder of the urgent need to rationalise UK law governing liability for such accidents taking place abroad which, as the English and Scottish Law Commissions reminded us recently,* is in a mess.

What are the legal issues of Bhopal from which lessons can be derived? First there is the issue of responsibility. How is it divided between Union Carbide, its Indian subsidiary and the Indian authorities? The burden on Union Carbide is very heavy, not only because it owns 51 per cent of the Indian subsidiary's equity but because it admits responsibility for the training of the Indian personnel. It might be found liable for designing and supplying unsafe plant, for failing to use its controlling power to enforce observance by the local management of safety instructions and, finally, for not having adequately trained local personnel.

As to the responsibility of the Indian authorities, this may extend not only to unsatisfactory inspection but also to any pressure which the authorities may have exercised on Union Carbide to employ staff qualified rather by their politics than by their managerial ability. Above all, the Indian authorities seem to bear responsibility for one of the major causes of the tragedy, which was the proximity of the shanty town to the plant.

According to Indian environmental rules, the factory should have been sited 15 miles from urban settlements. This distance may have been respected in the planning stage, but thereafter the authorities did not prevent workers and their families from settling in shanty dwellings close to the plant. Indeed, when the danger was pointed out to them, the answer was that the plant could not be moved. The possibility of moving the people does not seem to have been seriously considered.

The second issue is: which courts have jurisdiction for litigation. U.S. lawyers preparing class actions on behalf of the victims—some of whom are said to have recieved Rs 100 (about £7) for signing a power of attorney—are naturally interested in having the dispute decided by U.S. courts. A panel of U.S. judges has already decided that the proper place for bringing any suit in the U.S. is the Federal District Court for the Southern District of New York.

To decide jurisdiction, the U.S. courts will have to consider whether U.S. or Indian courts are more convenient for the resolution of this dispute. The availability of witnesses may favour Indian courts though Union Carbide will, no doubt, call some witnesses from its U.S. headquarters. Ease of enforcement of any awards would speak in favour of U.S. courts.

The main argument canvassed so far in favour of U.S. courts is that Indian courts require the plaintiff to deposit 5 per cent of the amount of damages claimed, but none of the Bhopal victims could manage anything approaching this sum and so would be deprived of the possibility of taking their claim to court. The other argument is that the backlog of cases in the Indian courts, with Supreme Court lists running into the 1990s, would deprive most claimants of any hope of getting compensation within their lifetime.

However, precedent expects the U.S. judges to ask whether there is a court available for the claimant to go to in his country, not how good that court is or how favourable or unfavourable is its procedure. Moreover, the Indian Government could remove the 5 per cent deposit requirement by legislation and the courts could give priority listing to any consolidated action for compensation.

The third issue is the question of which law should be applied by U.S. courts when dealing with these cases. The answer to this could make a tremendous difference to the victims as U.S. law of liability for wrongful acts is much stricter than Indian law, which is said to reflect the state of UK law at the time of the declaration of Indian independence.

The basic jurisdictional rule would guide U.S. judges towards the law of the place where the claim arose, but this need not necessarily be India as much of the design and manufacture of plant and equipment, training of personnel and managerial decisions or omissions, probably took place in the headquarters' establishment of Union Carbide in the U.S. Moreover, many U.S. judges are inclined to temper the basic rule that one should apply the law of the place where the claim arose by other considerations. These include predictability of results, simplifications of the judicial task and preference for a system of law which sets a higher standard of conduct and protection against injury. It is evident that U.S. law would win, at least on the second and third considerations.

What are the lessons that multinational companies can draw from this legal muddle? First, do not fool yourself that lawyers can prevent liability by cleverly drafted contracts or extricate the multinational corporation from the consequences of a major accident. The cost of unlimited insurance cover for a disaster of Bhopal dimensions may be too high even for a major company.

Second, in the long term multinationals should work for an international treaty providing greater certainty of law and a fairer division of liability. As long as that is not achieved, they should abandon the now fashionable permissive attitude to subsidiaries and control their safety arrangements and environmental impact strictly by their own inspectors on the spot.

Finally, they should abandon the project rather than succumb to the host government's pressure to give up technical control of potentially dangerous plant.

*Working Paper No 87 and Consultative Memorandum No 62 Choice of Law in Tort and Delict. HMSO £6.25, pp293.

Reviews by the Chairmen of the Transvaal Gold Mining Companies administered by Anglo American Corporation

AAC

"Gold's investment role dominated its price during the year and this seems likely to continue in the year ahead."

The following are extracts from the annual reviews for 1984 of:

Mr. E. P. Gush, chairman of Vaal Reefs, Western Deep Levels, Elandsrand and Southvaal.
Mr. W. R. Lowrie, chairman of S A Lands and Afrikander Lease.

Economic factors

The continuing decline in the rate of inflation to which I referred last year was reflected in the limited increase in the mines' operating costs this year. This situation is unlikely to continue, however, as inflation is showing an unwelcome upturn in South Africa. The authorities have failed to contain state spending and the money supply and this, combined with the sharp decline in the rand against most currencies, is already manifesting itself in a rapid increase in inflation.

South African gold mining company results were further affected by the additional severe fiscal measures adopted by the government in 1984. During the year GST was increased twice, the second time by 43 per cent, and the surcharge on gold mines' income tax was increased from 15 per cent to 20 per cent, which brings this tax to an unacceptably high level. Company tax which is levied on gold mines' interest and other income, was increased from 46.2 per cent to 50 per cent.

The government has responded, however, to general concerns expressed by many about the South African tax system by appointing the Margo Commission. As part of its mandate, the commission will be looking into aspects of gold mining taxation and so I should like to make it clear that it is the rate of taxation to which we are objecting rather than the system of gold mining taxation, which has been beneficial to the industry and the country.

To tamper with any one element of the current formula-tax system could have a major impact on the development of the gold mining industry. The industry is, and is likely to remain, the backbone of the South African economy. A structural change designed to raise more revenue or to change the balance of risk between the investor and the State would certainly discourage investment in what is a very high-risk business and would have a severe consequence for the country.

Markets

The average price of gold set at the London fixings during 1984 declined by nearly 15 per cent to $361 an ounce from $424 in the previous year. In rand terms, however, the average price rose by 11 per cent to R16 976 a kilogram from R15 311 in 1983 and was 7.6 per cent higher than the previous record average price received in 1980.

It was gold's investment role that dominated its price during the year and this seems likely to continue in the year ahead, with the supply of gold remaining in excess of fabrication demand, although to a lesser extent than in 1984. The major influence was clearly the performance of the US dollar, reflecting US monetary policy and the willingness of investors to continue financing the US budget deficit. In this environment the investment climate for gold is unlikely to improve markedly.

Should the US economy falter or inflationary pressures re-emerge, however, sentiment could swing away from the dollar in favour of alternative investment opportunities including gold. This move could also be influenced by the possibility of a sharp downward adjustment to oil prices and the likely negative impact on the international banking system.

In spite of such possible bullish influences on the gold market, however, I believe that any improvement in the dollar price of gold would soon lead to increased producer sales as well as some liquidation of investment holdings. Such action would tend to limit any major price advance in dollar terms in the year ahead. Weak gold prices in dollar terms may nevertheless be translated into firm rand prices as a result of continuing weakness of the rand.

The short- to medium-term outlook for the uranium market has also deteriorated with the introduction by the US Department of Energy of a revised enrichment contract. The effect of this more competitive contract will be to postpone enrichment feed requirements and consequently the demand for uranium.

Manpower

During the course of 1984 the Chamber of Mines again initiated attempts to remove legally-entrenched racially-discriminatory work practices from the mining industry. The Chamber is working with the trade unions to devise an acceptable industrial-relations structure and to remove discriminatory legislation. Although good progress has been made on some fronts, overall progress has been slow. The need to staff our mining operations solely on the basis of merit is important on social, moral and economic grounds. There should be no question of any race group being excluded from employment opportunities in the mining industry and all employees and potential employees should be given an equal opportunity to work and advance.

SUMMARY OF RESULTS

	Vaal Reefs* 1984	Vaal Reefs* 1983	Southvaal 1984	Southvaal 1983	Afrikander Lease 1984	Afrikander Lease 1983	Western Deep Levels 1984	Western Deep Levels 1983	Elandsrand 1984	Elandsrand 1983	S.A. Land 1984	S.A. Land 1983
GOLD												
Tons milled 000's	9 860	9 568	3 278	3 234	264	130	3 576	3 522	1 913	1 716	2 377	2 140
Yield – grams/ton	8.39	8.36	11.18	11.33	2.41	2.06	10.08	11.20	5.59	5.74	0.71	0.75
Production (kg)	82 734	80 097	36 640	36 634	637	268	36 040	39 455	10 694	9 858	1 680	1 605
Cost – rand/ton milled	59.14	51.43	51.05	53.17	23.81	29.51	71.91	67.83	51.19	48.72	7.22	7.14
Cost – rand/kg produced	7 040	6 150	5 462	4 694	9 888	14 313	7 134	6 055	8 157	8 481	14 378	12 801
Price received – rand/kg	18 674	15 311	16 674	15 311	18 674	14 213	18 828	15 221	17 159	15 301	18 889	15 098
Gold profit R 000's	814 450	733 601	418 817	389 492	4 398	(15)	381 413	362 188	86 268	68 238	4 833	3 887
Capital expenditure R 000's	157 523	158 203	103 099	87 624	508	4 799	225 156	152 025	52 674	50 554	3 141	4 282
URANIUM AND ACID Profit R 000's	39 566	†56 839	22 279	29 543	109	18	1 587	†3 509	–	–	–	–
FINANCIAL Royalties received R 000's	–	–	197 040	186 792	1 388	125	–	–	–	–	–	–
Tax R 000's	383 476	307 585	91 338	88 133	478	–	73 155	138 917	–	–	500	481
Dividends cents/share	1 340	1 195	420	395	5	–	450	425	50	40	40	60

* Includes results for South Lease area and Afrikander Lease area.
† Restated for the prior year adjustment in respect of the change in the basis of valuation.

The annual general meetings of these companies will be held in Johannesburg on 26 April, 1985.

ABU DHABI NATIONAL INSURANCE CO.

(Incorporated in Abu Dhabi in 1972)

PAID UP CAPITAL U.S.$32.4 MILLION

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Balance Sheet at 31st December, 1984

Approved by General Assembly of shareholders held on March 26, 1985 in Abu Dhabi

1983 US$ '000	ASSETS	1984 US$ '000
819	FIXED ASSETS NET OF DEPRECIATION	744
4,885	INVESTMENTS IN REAL ESTATE NET OF DEPRECIATION	4,071
	CURRENT ASSETS	
24,963	ACCOUNTS RECEIVABLE AND PREPAYMENTS	32,706
32,564	INVESTMENTS IN MARKETABLE SECURITIES	29,071
65,383	CASH AND BANK DEPOSITS	88,885
122,910	TOTAL CURRENT ASSETS	150,662
128,614	TOTAL ASSETS	155,477

1983 US$ '000	LIABILITIES AND FUNDS	1984 US$ '000
74,785	SHAREHOLDERS' FUNDS	93,299
26,462	INSURANCE FUNDS	29,374
	CURRENT LIABILITIES	
4,996	PROVISION FOR OUTSTANDING CLAIMS	5,600
12,641	ACCOUNTS PAYABLE AND ACCRUALS	17,474
9,730	DIVIDEND FOR THE YEAR	9,730
27,367	TOTAL CURRENT LIABILITIES	32,804
128,614	TOTAL LIABILITIES AND FUNDS	155,477

1. Total premium written during 1984 amounted to US$ 112.31 million against US$ 108.54 million during 1983.
2. Net Profit achieved has increased from US$ 22.68 million in 1983 to US$ 28.24 million in 1984.
3. The figures shown have been translated from U.A.E. Dirhams at US$1 = UAE DH 3.7.
4. The General Assembly in an extraordinary meeting held on 26th March, 1985 approved an increase of the paid-up capital from:

DH 120 Million (Approx. US$ 32.4 Million)
to:
DH 150 Million (Approx. US$ 40.5 Million)

by issue of bonus shares on the basis of one share for each four shares held.

Chairman: Khalaf A. Al-Otaibah   General Manager: Wasef S. Jabsheh

MINORCO

Minerals and Resources Corporation Limited

(Incorporated in Bermuda)

RESULTS FOR THE HALF-YEAR ENDED DECEMBER 31, 1984

Earnings:

Consolidated—unaudited US$ millions except where stated	Six months ended December 31 1984	Six months ended December 31 1983	Year ended June 30 1984
Earnings from operations	28.5	33.7	53.1
Share of undistributed earnings of investments accounted for by the equity method	34.5	42.3	77.6
Minority interest in earnings of subsidiary companies	(0.6)	(0.6)	(1.2)
Earnings before extraordinary items	62.4	75.4	129.5
Extraordinary items	(40.4)	130.3	87.6
Net earnings	22.0	205.7	217.1
Earnings per share (weighted average):			
From operations	$0.17	$0.20	$0.31
Before extraordinary items	0.37	0.44	0.76
Net earnings	0.13	1.21	1.26
Dividends per share	$0.06	$0.06	$0.22

Results: Minorco's earnings from operations for the half-year to December 31, 1984 decreased by 16% from US$33.7 million to US$28.5 million. Unchanged dividends were declared by all of the major companies in which Minorco is invested, with the exception of Engelhard Corporation, which increased its dividend in the first quarter of the current financial year. However, the US dollar value of the dividends received from Charter Consolidated P.L.C. and Consolidated Gold Fields PLC declined by 15% due to the progressive weakening of sterling. Lower cash balances and reduced interest rates caused interest income to decline during the period.

Minorco's share of undistributed earnings of investments accounted for by the equity method decreased by US$7.8 million due mainly to the decline in earnings of Phibro-Salomon Inc and Charter Consolidated for the 6 months to June 30, 1984 and September 30, 1984 respectively, although this was partially offset by improved results reported by other investments. As a result Minorco's earnings before extraordinary items for the half-year amounted to US$62.4 million compared with US$75.4 million earned in the comparable period of the previous financial year.

Minorco's extraordinary losses of US$40.4 million represents the equity share of Charter Consolidated's extraordinary losses arising from its investments in Johnson Matthey and Cape Industries and of Engelhard Corporation's losses on the closure of metal refinery operations. The extraordinary gain in the corresponding prior period related principally to the sale of part of Minorco's holding in Phibro-Salomon. Net earnings of Minorco amounted to US$22.0 million compared with US$205.7 million in the comparable prior period.

Minorco's financial position remains strong with a value of shareholders' equity of US$1.9 billion as at December 31, 1984 with debt of only US$36 million.

Outlook: As indicated in the 1984 Annual Report, it is anticipated that earnings from operations for the year to June 30, 1985 will be lower than the US$53.1 million earned in the previous financial year. Further, it is anticipated that Minorco's share of the undistributed earnings of equity accounted investments for the current full financial year may be less than those earned in the first half of the year as a result of lower earnings already reported by Minorco's North American investments, due to the severe impact of low base metal, energy and commodity prices and certain non-recurring charges. In consequence earnings before extraordinary items for the current financial year are expected to be materially lower than in the previous year. In addition to the extraordinary losses of US$40.4 million reported in respect of the current half-year, Minorco will in the second half-year account for its share of the substantial after tax special charge reported by Phibro-Salomon principally relating to the write-off of its interest in the Beaufort Sea. These items will cause a substantial reduction in our net earnings for the current financial year. The board nevertheless expects, in the absence of unforeseen circumstances, that earnings from operations will remain at a level which will permit the dividend for the full year to be maintained.

Interim dividend No. 96: The board has declared an unchanged interim dividend of 6 US cents in respect of the year to June 30, 1985. The interim dividend is payable on May 14, 1985 to shareholders of record on April 12, 1985.

Interim report: The interim report will be posted to shareholders on or about April 3, 1985.

Sofia House, Church Street
Hamilton 5-24, Bermuda

March 26, 1985

TECHNOLOGY

EDITED BY ALAN CANE

EASILY PROCESSED NON-STICK MATERIALS

Hoechst and Du Pont show the way in plastics

BY ALAN CANE

EVEN "WONDER" materials have their drawbacks. Polytetrafluoroethylene (PFTE), more commonly recognised as the waxy substance coating the working surfaces of non-stick frying pans and other kitchen utensils, is such an example.

Manufactured by Du Pont as "Telfon," ICI as Fluon and Hoechst as "Hostaflon, PTFE has been used as a non-stick surface in the industrial baking industries since the early 1950s and for domestic cooking ware since 1963.

But although it has marvellous properties—it is resistant to virtually all chemicals with the exception of a few exceptionally aggressive substances and can be used continuously at temperatures of up to 250°C—it is difficult to process.

Creating e non-stick surface for a frying pan, for example, involves treating the surface with e dispersion of PTFE particles and driving off the solvent at a high temperature—some 420°C—to ensure a sealed surface of the correct thickness.

And unlike, for example, polystyrene or polypropylene, PTFE cannot be thermoplastically moulded—heated beyond its softening point and then moulded to shape before cooling.

Over the past few years, however, Du Pont and Hoechst have pioneered the development of a new kind of PTFE which is not subject to the constraints which make its predecessor so difficult to process.

These so-called melt processable fluoroplastics have opened up a whole array of new uses for these materials. They can, for example, be used for soft, flexible insulation in electrical engineering.

Other uses include flexible tubing for chemical and medical technology and films, protective coatings and non-stick coatings for outdoor use—for example, in the construction of solar erravs.

Exactly how polymer chemists create exotic materials like these is no secret in principle; it is simply a matter of combining the right constituents at the right temperature and pressure and using the right catalyst.

In practice, the right temperature and pressure is critical and the right cetalyst, the substance which mediates the creation and makes possible the production of dramatically different materials, is a secret closely guarded by the manufacturers.

Basically the process consists of "grafting on" additional substances to the basic polymer to create a substance with exceptional properties.

This produces a "copolymer." PTFE is a polymer of the compound tetrafluoroethylene (TFE)—the new melt processable compounds are made up of chains of TFE with other compounds (which Hoechst and Du Pont keep very quiet about) interpolated in the chain like different coloured beads in a necklace.

Most polymer chemists believe they are at the limit es far as the discovery of new polymers is concerned. Now, by mixing and matching, they are "squeezing the last drop out of existing compounds" in the words of Mr Keith Taylor, divisional director for plastics at Hoechst.

Its melt processable fluoroplastics Hostalon TFB and ET are flexible, transparent, heve high weathering resistance and are non-stick.

They are also, in common with most of the new, sophisticated engineering plastics, very expensive compared with bulk chemicals.

In 1984 for example, some 507,000 tonnes of low density polyethylene were produced in the UK and sold at an approximate price of £500 a tonne.

Only 1,100 tonnes of fluorocarbons were produced and sold at a price, for PTFE for example, of £7,000 e tonne.

Of that 1,100 tonnes, perhaps 100 tonnes were represented by the new melt processable fluoroplastics — and they could cost np to £16,000 a tonne.

As one industry spokesman said this week: "These are not chemicals yon use unless you absolutely have to."

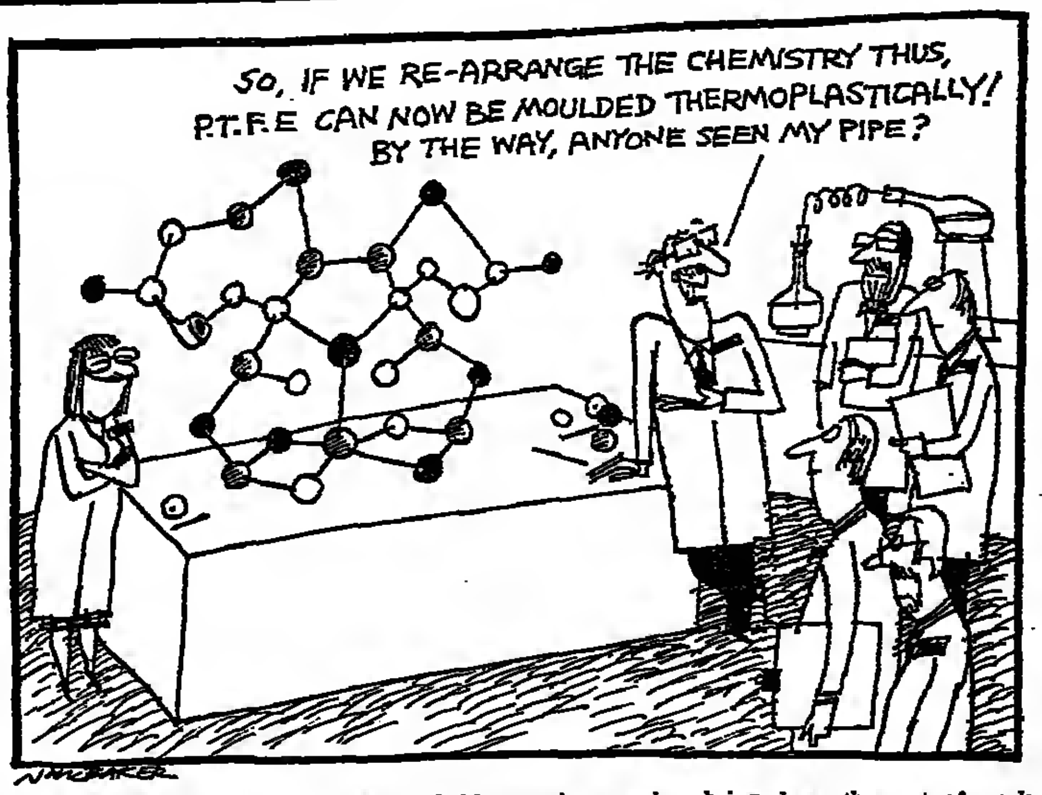
But for some purposes — the lining of pipes and tanks which have to bold savagely corrosive materials and electric wiring which has to survive severe conditions — they are ideal.

They are invaluable where electric wiriog has to operate at an elevated temperature. Hoechst Hostaflon TFB and Du Pont's Tefzel work perfectly at continuous temperatures np to 250 deg C.

And they can be used to create thin walled plastic tubing for medical catheters and the like.

The development of melt processable varieties belps to bring down the cost of working with what are the precious metals of the plastics business.

Mr Taylor of Hoechst believes that despite their expense these polymers are a massive step forward. He complains that by world standards, the UK is woefully behind in the use of plastics as a replacement for metals, a condition be attributes to the traditional nature of mnch conventional engineer's training: "The use of metals for many enginering parts has got to be dying on its feet—bnt it is going to take a long time."



Automation

Moving assembly

STREAMLINED MANUFACTURING and reduced production costs have resulted from a £1.2m "on the move" assembly system at the Massey Ferguson tractor plant in Coventry.

The company has become the first in the UK to use automated guided vehicles (AGVs) on which the assembly workers can "ride" while putting the product together—in this case tractor transmissions.

French company CFC supplied the system through its UK subsidiary and has already put similar systems into Citroen and Peugeot.

Under the command of a computer system, each driverless vehicle fetches and carries all the parts needed to make a transmission, acts as a mobile work station and delivers the completed units to test rigs.

The battery-powered vehicles are controlled by signals radiated from a wire loop buried in the floor. An electronic "eye" and other safety devices on the vehicle ensure that it stops if in danger of running into anyone or anything.

About 30 transmissions an hour can be built by the system, which is said to give greater manufacturing flexibility than conventional conveyor systems. It can easily produce increased capacity and changes in the mix of product. It also reduces the number of handling actions for components.

Computing

Language conversion

COMPUTER software which allows programmers to convert their programs from any conventional computer language to C bas been developed by MS Associates. C is a powerful computer language which is becoming very popular for a wide range of applications but many computers are tied to one of the old programming systems. The MS software is claimed to make the translation to C faster. More information from MS Associates at Bourne End on 06285 24999.

Office

Compact processing

SONY, the Japanee electronics group, has added the Model 10 to its range of word processors. This compact system contains the central processing unit two disk drives and visual display units within one cabinet.

The computer comes in three configurations, the simplest of which offers storage capacity of 260 hytes equivalent to about 120 pages of A4 text with one disk drive. This can be upgraded to a two disk system. The disks are Sony only 3.5 inch floppy disks protected by a hard shell.

The Model 10 is compatible with the company's Series 35 range of word processors and so all software developed for these machines will work with the new unit. This includes a spelling checker with a 70,000-word English vocabulary.

The Model 10 also can transmit and receive complete documents between machines. More details from Sony at Staines in Middlesex on Staines 61688.

Shipping

Vessel monitoring

THE Harwich Harbour Board is to spend about £40,000 on the installation of a vessel traffic system to replace its existing system and to provide more sophisticated monitoring of shipping.

Marconi Radar Systems of Chelmsford is installing the system which will monitor 24,000 ship movements each year in Harwich, Felixstowe, Parkstone Quay, Mistley and Ipswich.

A colour monitor will provide all the facilities of a standard radar display giving information such as course and speed of vessels within the five harbours. More details from Marconi on 0245 267111.

FACTORY

Shopfloor workers in automation control

BY PETER MARSH

A GROUP of technologists in Britain, Denmark and West Germany is seeking financial backing for a project which would give shop-floor workers the ability to change the operation of highly automated systems in manufacturing industry.

Too many examples of eutomation are inflexible and fail to use the inherant skills of bine-collar workers, eccording to Prof Howard Rosenbrock of the control systems department at the University of Manchester Institute of Science and Technology (UMIST).

Prof Rosenbrock's department, with three other technical institutions, plans to build prototypes of hardware in which his ideas can be tried out.

The hardware would link up computer modules with which draughtsmen design new products to the machine tools that turn out the items according to coded instructions. In many modern automation systems, the shop-floor worker charged with tending the machine tool is unable directly to intervene if, for instance, the tool suffers a fault or if the part that it is fashioning is incorrectly shaped.

In such e circumstance, the worker might have to contact a foreman who, in turn, informs a manager in charge of the battery of computers that supervises the entire system. Only the manager, who sits in a control room well away from the factory floor, would be able to change the instructions fed to the computer.

This, says Prof Rosenbrock, ignores the contribution of the shop-floor worker and wastes time and effort. He wants to see sutomation systems which provide for the routine insertion of information by people in relatively lowly jobs.

"The general trend in industry is for companies to try to get rid of the skills of the shop-floor workers. We want to persuade them that this is not a good idea economically."

The UMIST department has teamed up in the project with technical workers from the University of Bremen, the Technical University of Denmark near Copenhagen and the Danish Technological Institute. Companies involved in the project would include AN Maschinebau of Bremen and NEH Engineering and Linex, two Danish engineering enterprises.

The technology division of the Greater London Enterprise Board, which has a stake in several technology-oriented ventures in the city, is coordinating a proposal for funds from the European Community's Esprit project in information technology. The group has asked for £6m to cover a five-year project.

In the proposal, the German team would concentrate on ways to feed product-planning information into supervisory computers, leaving the Danes to work on compnter-aided design.

The British group would tackle thc part of the project that involves machine tools. It builds on earlier work et UMIST on "manual data input"—techniqne s with which shop-floor workers can change the programs that operate computerised manufacturing hardware, rather than leave the software solely in the control of managers.

Several companies, including Fujitsu of Japan and Cincinnati Milacron of the U.S., sell machine tool controls which incorporate such a facility. They are used mainly by small workshops which do not have special programers' departments or by larger companies for small runs of products, for example during prototype work.

Many big companies think that mannal data input would not help them during routine production. Although they concede that the famility may save time in emergencies (during machine break-down for instance), these organisations think that involvement by shop-floor staff in changing programs could lead to lack of uniformity in products and upset planning procedures.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1980=100); engineering orders (1980=100); retail sales volume (1978=100); retail sales value (1980=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1983							
4th qtr.	103.5	98.1	100	109.9	151.4	2,941	162.0
1984							
1st qtr.	104.0	98.9	103	109.0	123.5	2,998	147.0
2nd qtr.	101.8	99.7	107	111.6	130.7	3,026	154.0
3rd qtr.	102.1	101.0	106	112.5	133.8	3,076	165.1
4th qtr.	103.3	101.1	103	115.1	164.0	3,103	166.5
September	102.7	101.4	113	114.3	134.3	3,096	170.0
October	102.8	100.4	106	113.6	140.3	3,100	170.5
November	103.3	101.2	103	114.4	150.2	3,102	167.6
December	103.8	101.7	102	117.0	194.1	3,108	161.3
1985							
January	105.2	101.3		112.8	135.4	3,128	157.2
February				113.9		3,148	156.1

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1980=100); housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1983							
4th qtr.	101.0	93.8	110.0	96.2	108.5	87.4	15.9
1984							
1st qtr.	100.2	93.7	110.5	96.1	113.5	95.9	18.5
2nd qtr.	101.4	95.1	105.3	87.4	106.1	96.9	17.8
3rd qtr.	102.1	96.7	104.5	99.5	109.4	97.1	16.3
4th qtr.	103.4	96.5	106.4	98.5	107.0	98.7	12.5
August	102.0	97.0	104.0	100.0	111.0	97.0	15.5
September	103.0	97.0	105.0	100.0	110.0	88.0	15.0
October	103.0	96.0	106.0	98.0	106.0	98.0	15.7
November	103.0	97.0	106.0	99.0	108.0	98.0	13.9
December	104.0	97.0	107.0	99.0	107.0	100.0	7.9
1985							
January	104.0	98.0	109.0	100.0	100.0	98.0	9.7

EXTERNAL TRADE—Indices of export and import volume (1980=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1980=100); excluding reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1983							
4th qtr.	107.3	112.9	−221	+350	+2,099	97.7	17.82
1984							
1st qtr.	108.7	112.1	− 57	+623	+2,322	97.3	16.75
2nd qtr.	107.3	117.1	−1,228	−592	+1,543	96.9	15.51
3rd qtr.	108.0	119.8	−1,643	−621	+1,804	96.7	15.26
4th qtr.	117.5	126.1	−1,327	+641	+1,468	96.1	15.52
August	112.4	124.1	−591	−251	+426	96.6	15.35
September	108.5	126.9	−887	−546	+577	96.7	15.26
October	115.4	131.2	−807	+201	+373	96.4	15.35
November	118.0	120.8	−177	+303	+352	95.9	15.50
December	119.2	126.2	−344	+136	+743	96.0	15.69
1985							
January	116.5	118.2	− 76	+341	+928	96.0	15.52
February	121.5	124.4	−270	+131	+681	95.0	15.35

FINANCIAL—Money supply M0, M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M1 %	M3 %	Bank advances %	BS inflow £m	HP lending £m	Base rate %
1983							
4th qtr.	7.9	10.4	8.8	18.9	2,745	2,774	9.00
1984							
1st qtr.	4.1	10.1	8.2	13.6	2,609	2,868	9.50
2nd qtr.	4.6	24.5	11.1	18.9	1,795	2,870	9.25
3rd qtr.	5.3	10.2	6.3	9.9	1,628	2,809	10.50
4th qtr.	9.6	24.3	13.4	16.9	2,492	2,941	9.63
August	4.6	11.4	7.1	11.0	133	930	10.50
September	4.4	7.8	4.0	2.4	887	891	10.50
October	6.7	18.5	9.6	11.4	1,125	1,003	10.50
November	9.9	27.3	18.9	17.1	363	967	9.63
December	12.2	27.2	12.1	22.4	1,004	971	9.63
1985							
January	5.0	9.0	13.6	16.3	823	1,164	14.00
February	3.1	− 5.0	4.3	13.3	474		14.00

INFLATION—Indices of earnings (Jan 1980=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earnings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1983							
4th qtr.	153.2	128.4	126.7	341.8	316.4	298.50	83.2
1984							
1st qtr.	153.6	133.6	129.0	343.9	321.7	308.87	81.7
2nd qtr.	155.9	134.3	132.0	350.9	329.1	305.06	79.8
3rd qtr.	159.6	134.1	132.8	353.9	326.8	288.95	78.0
4th qtr.	164.1	140.1	134.3	358.3	326.8	289.64	74.1
August	159.2	133.2	132.6	354.8	326.9	294.18	78.4
September	159.9	135.2	133.3	355.5	324.9	288.95	77.2
October	164.2	137.9	133.9	357.7	326.2	292.40	75.8
November	162.8	139.2	134.3	358.8	326.6	289.89	75.7
December	165.3	143.4	134.9	358.5	327.6	289.64	74.1
1985							
January	163.4	145.3	135.9	359.8	330.6	296.98	71.5
February		147.0	136.6	362.7	332.5	295.73	71.3

* Not seasonally adjusted.

BASE LENDING RATES

A.B.N. Bank	13½%	Johnson Matthey Bkrs.	14 %
Allied Irish Bank	13½%	Knowsley & Co. Ltd.	14 %
Henry Ansbacher	13½%	Lloyds Bank	13½%
Amro Bank	13½%	Edward Manson & Co.	15 %
Associates Cap. Corp.	14 %	Meghraj & Sons Ltd.	13½%
Banco de Bilbao	13½%	Midland Bank	13½%
Bank Hapoalim	13½%	■ Morgan Grenfell	13½%
BCCI	13½%	Mount-Credit Corp. Ltd.	13½%
Bank of Ireland	13½%	National Bk. of Kuwait	13½%
Bank of Cyprus	13½%	National Girobank	13½%
Bank of India	13½%	National Westminster	13½%
Bank of Scotland	13½%	Northern Bank Ltd.	13½%
Banque Belge Ltd.	13½%	Norwich Gen. Trust	13½%
Barclays Bank	13½%	People's Tst. & Sv. Ltd.	14½%
Beneficial Trust Ltd.	14½%	Provincial Trust Ltd.	14½%
Brit. Bank of Mid. East	13½%	R. Raphael & Sons	13½%
■ Brown Shipley	14 %	P. S. Refson	14 %
CL Bank Nederland	13½%	Roxburghe Guarantee	14 %
Canada Perm'nt Trust	13½%	Royal Bank of Scotland	13½%
Cayzer Ltd.	13½%	Royal Trust Co. Canada	13½%
Cedar Holdings	14 %	■ J. Henry Schroder Wagg	13½%
■ Charterhouse Japhet	13½%	Standard Chartered	‖13½%
Choulartons**		TCB	13½%
Citibank NA	13½%	Trustee Savings Bank	13½%
Citibank Savings	¶12½%	United Bank of Kuwait	13½%
Clydesdale Bank	13½%	United Mizrahi Bank	13½%
C. E. Coates & Co. Ltd.	14½%	Westpac Banking Corp.	13½%
Comm. Bk. N. East	13½%	Whiteaway Laidlaw	14 %
Consolidated Credits	14 %	Williams & Glyn's	13½%
Co-operative Bank	*13½%	Wintrust Secs. Ltd.	13½%
The Cyprus Popular Bk.	13½%	Yorkshire Bank	13½%
Dunbar & Co. Ltd.	13½%		
Duncan Lawrie	13½%		
E. T. Trust	14½%		
Exeter Trust Ltd.	14 %		
First Nat. Fin. Corp.	15½%		
First Nat. Secs. Ltd.	14½%		
■ Robert Fleming & Co.	13½%		
Robert Fraser & Ptns.	14½%		
Grindlays Bank	‡13½%		
■ Guinness Mahon	13½%		
■ Hambros Bank	13½%		
Heritable & Gen. Trust	13½%		
■ Hill Samuel	§13½%		
C. Hoare & Co.	†13½%		
Hongkong & Shanghai	13½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 10½%, 1 month 11.25%. Fixed rate 12 months £2,500 11.75%, £10,000 12 months 12.00%.
† 7-day deposits on sums of under £2,000 10½%, £2,000 up to £10,000 11½%, £10,000 up to £50,000 11¾%, £50,000 and over 12%.
‡ Call deposits £1,000 and over 10½%.
‖ 21-day deposits over £1,000 11½%.
¶ Mortgage base rate.
§ demand deposits 10½%.
** See Provincial Trust Ltd.

APPOINTMENTS

Joining Hill Samuel board

The following have been appointed to the board of HILL SAMUEL AND CO: Mr T. F. Brockbank, Mr C. W. E. R. Buchan, Mr A. R. Frame, Mr R. Gollings, Mr M. P. D. McNeill, Mr J. A. Naish, Mr R. Nunn, Mr G. A. Service, Mr G. Stuart-Clarke and Mr R. C. Whalley.

*

Mr J. E. J. Baggs, general manager of Midland Assurance (an Eagle Star company), retires in April, and will be succeeded by Mr J. T. Healon.

*

Mr Gordon Hazard, group managing director since 1981, has been appointed executive deputy chairman, GROSVENOR GROUP, and his role will be to concentrate on the future development of the group, particularly in terms of acquisitions and divestments. Mr Gerald Cronin, finance director since 1968, has been appointed managing director. Mr Brian Maynard becomes finance director on April 1. He is joining Grosvenor Group from Kent Meters, a subsidiary of Brown Boveri Kent.

*

Mr Richard Everitt has been appointed finance director of FAIREY MICROFILTREX, Fareham. He joined in 1952 and in 1983 was appointed company secretary which he still holds. Fairey Microfiltrex is an operating company within Fairey Holdings, engineering sector of Pearson.

*

Mr Ken Roberts, chairman of both Norcros and Staveley Industries, has been appointed a director of NATIONAL WESTMINSTER BANK'S south-east regional board. A council member of the CBI, he is chairman of its Berkshire county group and president of the Concrete Society.

*

STANDARD TELEPHONES AND CABLES has appointed Mr J. E. Bishop as treasurer. He comes from ICL, now part of the STC group, where he has been director, group treasury.

*

Two non-executive directors have been appointed by JACKSON TAYLOR INTERNATIONAL ASSOCIATES. They are Professor Peter G. Forrester, former director of the Cranfield School of Management; and Mr Tom Arnold, MP, publisher and theatre producer, who is a vice-chairman of the Conservative Party.

*

Mr Gervase Buxton has joined MERRILL LYNCH PRIVATE CAPITAL as a managing director. He was an international banking director with Barclays Bank.

*

Mr M. J. M. Harrison has been appointed managing director of PIONEER MUTUAL BROKING SERVICES from April 22.

*

MARINE AND GENERAL MUTUAL LIFE ASSURANCE SOCIETY has elected Mr Peter G. Headey as a director. He has also been appointed joint general manager, and will take over as general manager from Mr Peter Slattery on May 1. He joined MGM Assurance in 1978 and was appointed deputy general manager in 1983.

*

Mr Alfred Goldstein steps down as senior partner of TRAVERS MORGAN. He retires as partner and director of the Group's partnerships and companies. He continues as non-executive chairman of the Group and will be retained as a consultant by the various firms in the group. He is succeeded by Mr Robin Wilson, who has been a partner since 1966.

*

A marketing manager has been appointed by the BRADFORD & NORTHERN HOUSING GROUP. He is Mr Kenneth Elliott, formerly sales and marketing director of Bowey Homes.

*

Mr Keith Siddall, a director and secretary of C. D. BRAMALL, has been appointed vice-chairman and assistant managing director. Mr Anthony Murphy, managing director of C. D. Bramall (Warrington), has been appointed to the board.

*

Mr Richard Youngman has been appointed general manager of HENRY COOKE. He was Wiggins Teape for 23 years, most recently as production director of Samuel Jones. Henry Cooke is part of the paper and converted productions divisions of J. Bibby and Sons.

THE MANAGEMENT PAGE

How JWT infuriated Madison Ave

BY FRANK LIPSIUS

THE AD appeared once in the New York Times but is still grabbing attention in Madison Avenue. Spearheading a recruitment campaign for the J. Walter Thompson agency, the full-page, copy-only ad featured *eight questions* that *might* be considered a copywriter's aptitude test. Among the assignments were a lyric for a love song about rancid butter, flat beer and mouldy pizza, a 200-word conversatioo in a dark alley, making the ingredients written on a baked bean tin sound appetising, designing a pair of posters for and against gun control, and a welcoming speech for Martians who land in the middle of Central Park.

To critics like Hank Seiden, executive vice-president and creative director of Hicks and Greist, an agency with $100m io billings, the ad looked too much *like* what a *visiting* Martian, or American for that matter, might assume the advertising business is all about. It is an image of *the* business which "infuriates" him; more than 100 people in the industry, be says, expressed their support for his complaint.

Seiden's voice bristles with annoyance as he points to the ad's assignment to sell a 'phone to a Trappist monk who had taken the vow of silence. "The whole idea could not be more *wrong. Ads are not* about being creative or innovative. You are supposed to pre-select your andieoce. The purpose of an ad is to convince a logical prospect to try the product."

To Peter Taonen, a creative director at Benton and Bowles, the JWT ad "trivialises what we do." Also pointing to the inappropriateness of the Trappist monk example, Tannen says. "Our jo bis to fit our product ioto people's lives."

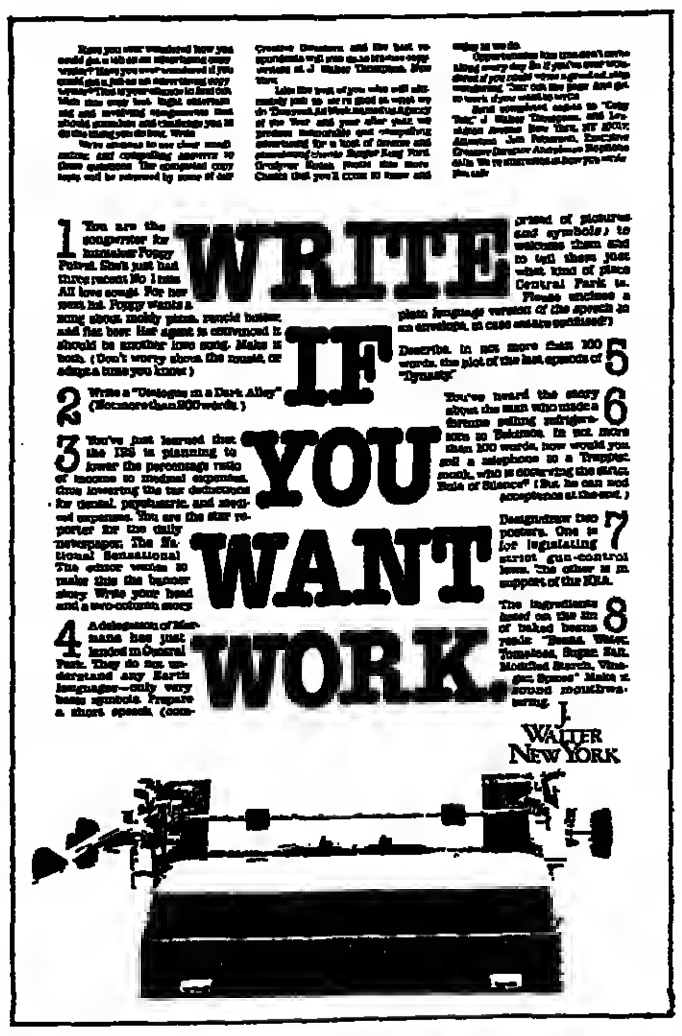
Seiden, whose clients include Cody *cosmetics*, Reunite wine and Hamilton Beach appliances, conteods that JWT made the fundameotal mistake of drawing attention to the ad rather thao the product. His own copywritiog test, he wrote in a column in "Advertising Age," would be. "You're the No 4 toothpaste in the market after Crest, Colgate and Aim. How would you sell it?"

He contends that the JWT ad "perpetuates the myths that advertising is a lot of silly, frivolous nonsense that tries to make lousy products sound good and that copywriters are a bunch of wild kooks with wilder ideas." As for the agency, the ad *"is really a transparent* attempt by JWT to shed its old fuddy-duddy image and pass itself off as the champion of young, bright, innovative, creative talent."

Stephen G. Bowen, Jnr, executive vice president and general manager of JWT, defends the ad not as a face-lift for the agency so much as for the whole industry. He considers the campaign to be predicated on the need to re-establish creativity in advertising after the boring celebrity-endorsemeots, slices-of-life sameness of the 1970s. Noting that as much as 90 per cent of the ageocy's ads were extensively field-tested in the 1970s, bte applauds the reduction to 30 per cent as a sign of faith in *the* agency's pre-eminent creative role.

Bowen feels that American agencies *have fallen behind* British agencies in creativity. In fact, the idea for the ad came from a practice in JWT's *London office of giving* a copywriting test as part of its screening process. The creator of the New York ad, Jim Patterson, JWT'a executive vice-president and creative director, claims the ad was meant to avoid the most obvious type of recruit—that is those "who start their freshman year in college and decide, "I want to *be in advertising.'" Patterson* says: "I worry about their imagination," and is seeking to find people who share his image of advertising among those who have not previously thought about it as a career.

Seiden contends that "the new wave is old hat." He thinks ads should not draw attention to themselves but to the product. He would not accept the argument that JWT did exactly that since their prodnct is ads. "Basically," says Seiden, "an ad has two parts, concept and execution. An ad should be 90 per ceot coocept and 10 per cent execution. This ad, like all the new cleverness, is just the opposite."



As for attracting young bright new talent . . . the agency attracted more than 1,000 *responses* from the ad's one appearance. Six people were hired, among them a former comedian, a university lecturer in clinical medicine who *also* wrote for "National Lampoon," an undergradnate at Princeton and another at Yale. The love song exercise prodnced the lyric:

Now the lettuce is all brown
—*the* pizza'a *kinda* green.
It used to be the other way round.
While I try to separate my love life from his,
Half a can of Miller sits a-losin' its fizz.

Yale undergraduate, J. David Staley's conversation in a dark alley included the line: "Would you get that thing out of my face . . . *Where*'d you come across a knife like that? . . . Look at that handle."

Though clever, the answers would not satisfy Seiden's criterion that an ad should "give a reason to try a product."

JWT's original intention of putting the ad in college newspapers is being postponed until the impact of this one tapers off. Seiden says that he—and any agency—gets a thousand unsolicited job epplications a month, so for that result the ad was superfluous. Even his "Ad Age" story drew response from people who proposed a toothpaste campaign.

Bowen remains delighted with the ad, not only for the job applications, the new copywriters he's hired and the attention the ad got; he also feels "it *was* a *terrific* hit that will reap benefits for a long time. It will work its way into almost every college course for class assignments and it will make advertising seem more attractive to talented people."

The prospect may not please Hank Seiden, but for Howard Margulies, the ad came just in time. He wrote in with his *assignment,* "Thanks *for* this terrific opportunity. I hope to get a call soon. I have resigned my present position—*to get a* job in advertising." He succeeded, with e submission that told a Trappist monk to get to a 'phone to "call up your favourite mime —and have a quiet tête-à-tête."

Dawn of the instant reaction

Antony Thorncroft on current trends in market research

THE BRITISH market research industry operates on two levels. *There is its public* face, best known to most people through the polls on voting intentions (which actually account for less than 2 per cent of the *industry's* £180m turnover) and there are the secret assignments for *clients, which* base their major investment decisions on the findings.

Both levels were apparent at the annnal conference of the Market Research Society in Brighton last week. A record *number* of over 900 researchers could listen to speakers promoting themselves, and their companies, in practical papers like "The contribution of research to the launch of the Mail on Sunday," and more specialist contributions like "How linguistic coding can be used." They could then eavesdrop on other researchers claiming the credit for the Chancellor's decision not to tax pensions in last week's Budget. Apparently the pensions in*dustry commissioned a poll of* Tory MPs which produced blanket opposition to any such move, and a leak of the research to Nigel Lawson beld his hand. Or so the story goes.

The problem with most research is that it belongs to the client. It can, of course, be publicised to support a particular lobby—like the fact that *69 per cent of the public now* supports Sunday opening for shops—but, in the main, research companies complete their assignment and band over the data for others to act.

One industry researchers are happy to talk about this year, bowever, is the research industry. According to the Association of Market Survey Organisations, whose 25 members account for around 70 per cent of UK market research, growth in 1984 was *over 20 per cent. And although* this pace cannot be seriously expected to continne, 1985 has begun exceptionally well. While UK company profits are buoyant, and consumer spending stays high, research will thrive.

The industry did particularly well in 1984 mainly because service companies, in particular *in the financial* and *travel areas,* are becoming big buyers of research. In addition there have been the first tentative assignments from the professions—especially accountants and solicitors. Some of the trends were reflected in the papers at the conference, notably in a paper on stockbroking and research.

ASSOCIATION OF MARKET SURVEY ORGANISATIONS

PERFORMANCE OF MEMBER COMPANIES (£000s)

Company name	1984 turnover	1983 turnover	1984 pre-tax profit	1983 profit
AGB Research (UK *research only*)	24,550	21,874	na	na
A. C. Nielsen	15,500	14,637	na	na
NOP Group	9,845	7,279	612	416
Research Bureau Ltd.	9,739	7,949	446	260
MRB International	7,028	5,678	594	447
MIL Group	5,720	5,219	na	106
Burke Research Services	5,692	3,683	435	20
Millward Brown	5,043	3,848	492	190
Taylor Nelson Group	4,839	3,828	423	197
RSGB (also included in AGB)	3,430	3,319	344	295
Marplan	3,017	2,287	47	81*
BJM Research Partners	2,996	2,208	—	88
MAS Survey Research	2,850	2,532	—	341
Harris Research Centre	2,406	2,078	185	186
Independent Research Bureau	2,319	1,947	100	110
Market & Opinion Research Intl.	2,141	1,700	89	30
Public Attitude Surveys	2,046	1,451	38	15
Gallup	2,014	1,963	105	5
Gordon Simmons	1,900	1,424	46	50
Schlackman Research Group	1,316	1,240	53	0
Martin-Hamblin Research	1,299	1,013	34	-3
The Research Business	1,262	866	-59	52
Communications Research	1,221	1,013	13	16
Cooper Research & Marketing	1,080	750	—	67
IFF Research	915	725	88	66

* *Loss.*

Source: AMSO

Ron Finlay of Valin Pollen recounted his experiences of a research assignment for a stockbroker. The problems were tremendous. Two hundred interviews of investors were *to be conducted* by phone; but it was discovered that the client did not have records of the telephone numbers of its clients. It was later found that 25 per cent of the sample was ex-directory. In the end, though, the research was able to highlight services that investors want from their stockbroker, thus clearing the way for marketing initiatives.

It was significant that this assignment was conducted by phone. Telephone interviewing has been growing steadily for years, but in 1984 it made its big breakthrough. AMSO reckons that its members conducted 6.4m interviews, of which a third were by telephone, a rise of 48 per cent on the previous year. In contrast there were only 3 per cent more personal interviews.

The use of telephone research cropped up in many of the presentations. Midland Bank used it to evaluate the package, and the appeal, of its Griffin Savers scheme for children—it got—the package right but *underestimated demand, mainly* because TV coverage was used for the launch. The Mail on Sunday found telephone interviews a quick way to monitor the faults in the paper in its first weeks.

There was also *something* nostalgic about many of the presentations. Market research began, in the main, as an adjunct to *advertising. but* today the agencies commission less than 7 per cent of research (at least from AMSO members). Yet some of the most interesting papers related to advertising research. Heather Mulholland reviewed surrealism in advertising—best exemplified by the Benson & Hedges advertising, and concluded that it can be very effective—especially among young men, but that some people found it disturbing. In particular cigarette smokers are subconsciously worried enough about smoking not to want scenes depicting damage in the advertising. Silk Cut, in particular, with its scenes of cut silks, gets a doubtful reaction.

Also examined was testimonial advertising. Not surprisingly consumers were well aware that the famous actor was only doing it for the money. The general feeling was that this was an effective, but tricky, area in which the personality had to have a *discernible* link with the product.

There were also papers on that *most over-looked of* mediums—bus sides—and a research contribution to creativity which involved testing commercials for new products, and showing which were relevant (from Leo Burnett).

There was renewed interest in new product testing techniques, including a contribution from Peter Sampson and Stephen Factor of Burke, a company which grew by 55 per cent last year, largely because *it has come up* with a technique in this hoary old field. Called BASES, it is seen as an effective means of evaluating new products, which is where much research began many decades ago.

This suggests that while there are new opportunities in areas like *qualitative* research, and in exploiting technology, any research company that comes up with a fresh approach to an old problem can do very well.

It also helps to be big. As always the major research companies, with the resources, dominate the industry and the fresh developments. The publicly quoted AGB thrives on its continuous surveys for business, and its TV audience measurement. But it is already envisaging the day when the street interview, even telephone *questioning, will be a thing of* the past. Through its Cable and Viewdata company, it has a national sample of 550 homes, which it quizzes through special viewdata sets. Apart from instant judgment on commercials, it can stretch into other media fields, like the respondents' magazine readership. In time research will be *conducted* through the television terminal, on to the computer.

In the meantime researchers were speculating about which companies would follow Bob Worcester and MORI on to the Unlisted Securities Market; who would win the *biggest* research assignment ever offered in the UK—a £15m contract from the Government for a mini-census over two years on house occupancy, for which two consortia have pitched; and *whether higher interest* rates and the strength of the dollar would bring to an end the longest and biggest boom in market research history.

JOBS COLUMN

Yet another damper on youthful enterprise

BY MICHAEL DIXON

I'D BE glad if any reader could identify for me the UK "employers' organisations" which "gave firm support" to a certain proposal in the Government's latest White Paper on edocation.

The proposal is to inject yet another set of public academic examinations into the lives of the country's young people. Called "Advanced Supplementary levels" and scheduled for introduction in 1989, the extra exams are intended to be taken by young people already working for the full Advanced-level ordeal at 18-plus. The idea is that each new AS subject will require about half the study time of an A level proper.

Given the names of the employers who supported such an officious encumbrance, I might be able to introduce them to the numerous head teachers who have talked with me recently. They include the heads of some of the most academically successful independent schools.

The heads unanimously believe that public examinations already overburden schools. They see that, even with just the 16-plus exams and Advanced levels to cope with, teenagers have to expend too much effort in mugging up knowledga of academic subjects. As a result they have far too little time for broader, unexamined educational activities of greater use than subject-learning especially for young people intending to work outside the groves of academe.

The heads would dearly like to reduce the stress on swotting for test papers. But not even the independent schools' chiefs feel they can afford to do that.

The reason is that fee-paying parents tend to count the attainment of good grades in public exams above all else. The parents' reason for doing so is that not only universities but increasingly employing organisations insist on examination success as a prerequisite for entry. The employers' reason is apparently that they imagine (daftly in the view of most head teachers) that ability to acquire the know-that kind of learning tested by the exams is essential for success in know-how activities such as active managerial work.

Unless the school heads don't know their business, the effect of the additional AS levels would seem sure. More teenagers will spend more time mugging up knowledge of little use in most jobs, to the further neglect of other sorts of learning which are of greater use.

While at a loss to imagine why employers should want to hamper the economy in that way, I can guess how the decision to inject the additional exams probably came into the heads of the bureaucrats who advise Sir Keith Joseph as Secretary for Education and Science.

For a long time they have been hearing complaints that the emphasis on passing the Advanced-level public exams leads pupils into narrowing specialisation of study from an early age. Usually they concentrate on either numerate or literary studies, but not both.

Narrowing

From the apparent fact that the pressure of A-levels causes a problem by harmfully narrowing young people's understanding, bureaucratic logic probably leads to the inescapable conclusion that the answer must be to add on a further set of exams to broaden the said young people out again.

What seems to underlie that peculiar kind of thinking is an assumption that the more mugging up of academic knowledge for exams which is done by a country's young people, the more capable they become in every desirable way. But there is evidence that it is a dangerous asumption, especially in a nation that needs to cultivate a far more innovative and enterprising younger generation.

For one thing few of the countries which appear to surpass us in such qualities are nearly as obsessed with public examinations as the UK. For another, there is a warning in the history of a further country which was. It is China, on which I've recently read two books written 28 years apart. (A Short History of Confucian Philosophy by Liu Wu-Chi, Pelican 1955, and Cultural Atlas of China by Caroline Blunden and Mark Elvin, Phaidon 1983).

Each of them emphasises a sharp change in the Chinese character. Up to about 1400 AD the country was outstandingly enterprising and innovative. Its discoveries and developments included not just gunpowder and firearms, but navigational instruments, woodblock printing, and textile machinery very nearly as advanced as the spinning frame produced by Arkwright in the 19th century.

But then, suddenly, the enterprise and innovation disappeared, leaving China with a lack of modern technological and scientific development from which it has yet to recover.

Both books raise the question why that happened. And both point to the same answer.

Although China began selecting people for some official posts on the basis of academic exams before 100 BC, most activities offering money, time and liberty to make and do new things remained open for over a millenium therafter.

Then the restriction of worthwhile career opportunities to those who passed the exams, which were centred on knowledge of approved literature, quickly got tighter and tighter. Soon entry to any job with discretion and resources was strictly for "graduates only." Oddly enough, that development took place around the same time as China's inventiveness vanished.

"... the energies and aspirations of the ablest men were nearly totally absorbed into a continual scholastic competition, the more so since passing a regular repeat examination was required for the retention of the lowest-level degree," says the Cultural Atlas of China. "It may be noted in passing that to find the explanation of why China did not develop some sort of modern science out of her own rich medieval empirical and speculative traditions, we do not have to go much further . . ."

Employers might do well to consider how much further the UK has to go in its obsession with exam-passing before mugging up subject knowledge totally absorbs our inventive and enterprising energies.

There is no safety in the argument that, unlike China, we have exams not only in literature-based subjects, but also in sciences. While the educational establishment seems largely to assume that all new technological development is preceded by scientific research, the case is very often otherwise.

Many if not most technological advances originate in someone spotting that something new might profitably be done automatically, and visualising and knocking out the prototype of a device that's likely to do it. The creative people capable of that sort of activity are mostly called engineers. The kinds of knowledge they need are in important ways different from the kinds required by academic scientists.

A case in point is the study of physics. A goodish A-level in that expansive topic is generally regarded as essential for entry to a higher course in engineering, not least because few A-level courses in engineering as such exist.

What engineers need from the study of physics is understanding of "big" phenomena such as viscosity and rotary motion. But Dr John Adkins, the Cambridge University physicist, tells me that study of such big phenomena has tended to be dropped from A-level courses in the topic to make room for extra emphasis on what research physicists feel is the more exciting study of microscopic particles.

In the circumstances, before telling me who were the employers supporting the extra exam, anyone knowing them might be wise to sell his or her shares in their companies.

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A Joint Committee has been established by the Council and the Senate of the University, under the Chairmanship of the President of Council, to nominate a successor to the late Emeritus Professor R. F. Whelan. In the meantime, Professor J. F. Norbury has been appointed Acting Vice-Chancellor.

The Joint Committee is assembling a list of those who might be considered for appointment, and has asked a number of people to make suggestions. The Committee wishes its enquiries to be as wide as possible and invites anyone who would like to suggest a name or names to write preferably before the end of April 1985 to:

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Midland Bank

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Rate £37.00 per single column centimetre

Appointments Wanted

DIRECTOR

Experienced profit orientated Director in late 30's, graduate accountant, with manufacturing experience to Board and Chief Executive level, proven record in revitalising ailing companies, seeks new assignment as present one coming to successful conclusion. Consider participation in management buy-out.

—Write Box A.8952, Financial Times, 10, Cannon Street London EC4P 4BY.

Head of Administration

INVESTMENT MANAGEMENT

The Company: This is the highly successful London based subsidiary of a Swiss private bank, which specialises in international fund management. Its accounts range from private clients to investment trusts and pension funds and tha office is also responsible for advising on a number of off-shore bond funds. Money under management is growing rapidly and the office is expanding so that the need to appoint an experienced administrative executive has arisen.

The Role: The Head of Administration will be responsible to the Managing Director and work closely with the Company Secretary, taking charge of e staff of eight. The task is to bring the most efficient management to the settlements, valuations and accounting functions and to introduce and manage new systems when appropriate. Efficient liaison with the Head Office is also an important part of the job.

Tha successful candidata will also be expected to become secretary to the bank's investment trusts.

Qualifications: An experienced administrator who may be a qualified Accountant or Secretary is needed for this key position. Excellent management skills combined with an ability to pay close ettention to detail and a good technical knowledge of international settlements procedures in equity and bond markets are essential. The ideal candidate, who will probably be aged between 35 and 45, will be energetic, highly organised and prepared to take the initiative in making changes to existing procedures within the bank.

Compensation: This is a vital and challenging appointment. A very attractive package of cash and fringe benefits will be offered.
Please writa to:

Box FT/905, St. James's House, 4/7 Red Lion Court, Fleet Street, LONDON EC4A 3EB.

Financial Services Marketing Manager

c·£22,000 + benefits

Legal & Geoeral is a largc insurance and investment group, one of the UK's top 50 companies, with a leading position in life and pensions business and e significant presence in general insurance business both in the UK and internationally.

The rapid changes taking place in the financial services market have led to the creation of e strategic marketing department reporting to the Marketing Director. This important move gives rise to e vacancy for a Marketing Finance Manager who will play a key role in shaping the future of Legal & General.

As a key member of a small specialist team, yoo will be involved in strategic planning and marketiog research with a pronounced emphasis on thc development of original ideas.

This senior position demands proven financial marketing experience, probably gained within a bank, building society or similar environment, together with the initiative, determinatioo and persuasive communication skills necessary to help shape the future of Legal & General throughout the 80's and into the 90's.

The remuneratioo package includes a car, non-contributory pension, subsidised mortgagc and a range of other benefits. Assistance with relocation is availablc where appropriate.

Interested candidates should write to:—
J.B. Craddock, Marketing Director,
Legal & General Assurance Society Limited,
Temple Court, 11 Queen Victoria Street,
London EC4N 4TP.
quoting reference FT 853.

Legal & General

Strategy Consulting Insurance

McKinsey & Company wishes to recruit as consultants for its London office, high-flying professionals of outstanding ability with expertise in the insurance industry.

The people we seek will be 27-32 years old, with excellent academic qualifications and a record of achievement and advancement in a blue chip company. They will be aiming to broaden their career horlzons and their general management skills by moving into top management strategy consulting. They could well be working within the insurance Industry in broking or underwriting, in information systems or In a commercial or planning function. They could equally be working for organizations servicing the insurance industry such as accounting firms, stockbrokers, or systems houses.

McKinsey is the pre-eminent management consulting firm in the U.K. and throughout the world. We specialize in advising the top managements of leading companies on Important strategic, organizational and operational issues. Our aim Is to work closely with our clients to help them make and sustain significant improvements in performance. The Firm continues to expand in all areas of operation.

A career in the highly stimulating, professional environment of McKinsey offers exceptional opportunities for ambitious managers to:

- Address major strategic issues in leading companies and institutions.
- Work with senior managers within client organizations,
- Tackle a wide range of important problems.
- Expand their general management skills.

To reflect the calibre of the people we are seeking, the compensation package and career development prospects offered will be exceptional.

If you are interested in becoming a consultant and consider that you have the necessary qualifications, please send a complete CV, in the first Instance to Nick Baker, 2nd Floor, 31 Southampton Row, London WC1B 5HY. (quoting ref 230).

We will of course ensure strict confidentiality.

McKinsey & Company

Capital Markets

Arbitrage Unit

A major international Securities House is seeking to recruit a Senior Manager for their recently established arbitrage unit which is active in all aspects of hedging, futures, bonds and swaps.

The successful candidate will assume direct responsibility for the treasury function and will be an integral member of an established team. This vital role will involve a variety of activities including covering the bank's position in the bond markets using FX/futures/options.

Candidates, probably aged around 30, will have a good knowledge of treasury products and securities with particular emphasis on markets in Europe and the Far East.

Salary will not be a limiting factor to applicants with the dynamism and ability to maximise profitability in this challenging market sector.

Candidates should contact **Chris Smith** on **01-404 5751**, or write to him, enclosing a detailed CV, at the Banking and Finance Division, 23 Southampton Place, London WC1A 2BP, quoting ref 3485.

MPP

Michael Page Partnership
International Recruitment Consultants.
London Bristol Birmingham Manchester Leeds Glasgow
Brussels New York Sydney

Bank Economists

Midland Bank has a number of vacancies In Its Group Economics Department In central London. The successful applicants will join a team of about twenty professional economists analysing and forecasting developments both In the UK and abroad and Interpreting the Implications for Midland Bank and other Group companies.

It is probable that all those appointed will have a second degree and/or relevant experience, but exceptional candidates with good first degrees (or expected to obtain them this summer) will elso be considered. Knowledge and experience in one or more of applied financial economics, econometrics, Industrial analysis and developments in overseas countries would be an advantage.

The positions will command salaries of between approximately £10,000 and £15,000 eccording to qualifications and experience. They will be offered in the form of contracts for between 2 and 5 years. Vacancles exist now, but we would be interested to receive applications from those able to commence work at any time during the next six months.

Further particulars cen be obtalned from: Group Economics Department, Midlend Bank plc, Head Office, Poultry, London EC2P 2BX. Tel: 01-606 9911 Extension 2736

Midland Bank

Leading Merchant Bank

SWAP PROFESSIONAL

Salary Highly Negotiable

Our client is a major UK merchant bank, with an established presence in the swap market. The bank has demonstrated a strong commitmcot to this area and its expanding business has created the need for an additional swap professiooal.

Working in the Loodon unit of a global swap team, the position demands an extensive knowledge of currency and interest rate swaps, and involves managing transactions from marketing through to documentation.

The successful candidate, whose experience will have included at least one year in the swap market, can expect a highly competitive salary together with a full range of benefits. This is an ideal opportunity for applicants wishing to broaden their swap experience to include a greater marketing and capital markets element with a prime hanking name.

In the first instance, please contact Felicity Hother.
Telephone: 01-588 6644.
All enquiries will be treated in the strictest confidence.

Anderson, Squires Ltd.,
Bank Recruitment Specialists
85 London Wall, London EC2

Anderson, Squires

Credit and Insurance Manager–Europe

Eaton Limited, part of Eaton Corporation—a U.S. multi-national Group, manufacturing high technology products is seeking a Credit and Insurance Manager to be based at Headquarters in Hounslow West London.

The prime responsibilities are to establish and ensure sound Credit Management practices and procedures and to direct and maintain adequate and cost-effective Insurance and Risk Management Programmes in our facilities in the U.K. and throughout Europe.

Essential background will include a relevant degree and/or professional qualification with several years experience specifically in the field of International Credit and Collections.

The successful candidate, who will be 35–45, will be offered a competitive salary and an attractive company benefits package which includes a car and private medical insurance.

Please write with full C.V. to: **Georgina Greening, Personnel Manager, Eaton Limited, Eaton House, Staines Road, Hounslow, Middlesex. TW4 5DX.**

EATON

NORWICH UNION INSURANCE GROUP

Assistant Manager

VENTURE CAPITAL

A vacancy has arisen in Norwich for an Assistant Manager for the venture capital subsidlary of the Norwich Union Insurence Group.

The successful applicant will have et least three years experience in the ventura capital field, good analytical ekills, balanced judgement and fluency in verbal and written communication. Salary will be in the range £14,000—£16,500 per annum depending on experience.

In addition, we offer fringe benefits Including non-contributory pension and life insurance, mortgage ellowance scheme etter e qualifying period, flexible working hours and excellent sports and social facilities.

Write for an application form to:

Miss P D Scott
H.O. Staff Superintendent
Norwich Union
Insurance Group
Surrey Street
NORWICH NR1 3NG

NORWICH UNION INSURANCE

FRANCHISE DEVELOPMENT MANAGER

Our client is a major U.K. automotive component manufacturer servicing the aftermarket sector through a mixture of managed and franchised sites.

This role, as a member of tha management team, is both to develop and refine the franchise package and significantly to increase the number of franchisees in the U.K. and ultimately overseas.

Candidates will be well versed in the concepts of franchising and ita implied negotiations. Motor trade related experience could be helpful but not crucial.

Salary indicator is around £18,000, but flexible to reflect experience. Good benefits include car and relocation assistance to the Midlands.

Please apply in strict confidence with details of age, experience, qualifications and earnings, quoting reference no. 0309 to:

QMS Recruitment
Quorn House, 6 Princess Road West
Leicester LE1 6TP

MERCHANT BANKING

INVESTMENT FUND MANAGERS

Several of our Merchant Banking clients wish to expend and strengthen their Investment Departmcnts in the Management of both Private Clients' and Pension Funds. Candidates aged between 25/35 years, will be graduates with several years' experience of Fund Management with e Merchant Benk, Stockbroker or Finencial Institution.

Highly competitive remuneration peckages will be offered together with the usual banking benefits.

CORPORATE FINANCE

Due to increasing demend for the services of its Corporete Finance Department our client, en Accepting House, wishes to recruit two additional Executives.

Applicants should be aged 25 to 29, have a good degree and hold e professional qualification (A.C.A. or Solicitor). Some experience of corporate finance work would be an advantage.

Competitive salaries will be paid together wirh the usual benk benefits.

Please telephone, or writc enclosing a dctailcd Curriculum Vitac to,
Peter S. Latham (Director)

JONATHAN WREN & CO. LIMITED. 170 Bishopsgate, London, EC2M 4LX.
Tel: 01-623-1266.

Jonathan Wren
BANKING APPOINTMENTS

Corporate Finance Executive
London/Manchester

NM Rothschild & Sons Limited wish to appoint an additional Corporate Financial Executive. The person will be appointed to the Corporate Finance Department in London and after six months would spend the following three years as a member of our expanding Corporate Finance team in Manchester.

The post will provide first-class career development opportunities for *either* a qualified solicitor or accountant who has gained experience with a leading City firm, *or* someone with 2 to 3 years' corporate finance experience gained in a merchant bank or with a major stockbroker.

Remuneration will be competitive, and the Company provides excellent benefits, including profit-sharing.

Please send a full curriculum vitae to:

The Personnel Director,
NM Rothschild & Sons Limited,
New Court, St Swithin's Lane,
LONDON EC4P 4DU.

N.M. Rothschild & Sons Limited

U.K. Taxation Specialist
c £20,000 + Benefits

The Royal Bank of Canada is Canada's leading international bank and the fourth largest in North America *with financial interests in over 100 subsidiaries and affiliates* throughout the world.

Currently we are seeking a U.K. Taxation Specialist for a new position based in London and reporting directly to Head Office's Corporate Taxation Department. The successful candidate will be responsible for the preparation of the U.K. tax computations for the Bank and its U.K. subsidiaries and the agreement of tax liabilities with the Inland Revenue. In addition the Tax Specialist will liaise between U.K. management and the Bank's Head Office Taxation Department in Canada on all tax aspects of the U.K. operations.

Aged up to 30 years of age, candidates should be qualified accountants and have at least two years post qualifying corporate tax experience gained preferably, though not necessarily, in a major accounting firm or the financial services industry.

A salary of up to £20,000 will be offered, together with an excellent employee benefits programme.

Please write with a comprehensive C.V. to Mel Johnson, Personnel Manager, The Royal Bank of Canada, 99 Bishopsgate, London EC2M 3XQ.

THE ROYAL BANK OF CANADA

Assistant Fund Manager
Far East Markets — City based

This is an outstanding opportunity to further develop your career in International Investment Fund Management with one of the UK's leading financial services institutions.

As a member of the Pacific Basin team you will be involved in a wide range of analysis and dealing activities and will also be expected to contribute to the formulation of investment policy *for the region. The job would appeal to those able to demonstrate initiative and enthusiasm* necessary for active participation in the day-to-day management of funds in excess of £1½ billion. There will be some opportunities for overseas travel.

Ideally in your mid-20's — and educated to degree level — you should have specific knowledge of the *Japanese market and possibly other Far East Markets as well. A minimum 2/3 years'* proven experience in analysis work in a similar environment is essential.

We offer a competitive salary and an attractive benefits package as expected from a major financial institution.

Please write with full details to Mr. P. E. Ives, Personnel Manager (Investments), Legal & General Assurance Society Ltd., Temple Court, 11 Queen Victoria Street, London EC4N 4TP.

Legal & General

Credit Analyst
Merchant Banking — City

The expansion and diversification of our Lending activities has led to the need for a *CREDIT ANALYST* to join a small team.

Applicants should ideally be graduates, aged 23-26 with *one or two* years' relevant experience with a major international or merchant bank in the UK, and should be highly numerate, articulate and able to communicate at all levels both within the Bank and outside.

This appointment will challenge a professional and motivated person who is looking for a career in a Merchant Bank and offers excellent prospects for progression *within the Department.*

The position carries with it a highly competitive remuneration package with all the usual City benefits, including subsidised mortgage.

Please write with full CV to Miss C. A. Parker, Personnel Officer, Charterhouse *Japhet plc. 1 Paternoster Row, St. Paul's, London EC4M 7DH.*

CHARTERHOUSE JAPHET plc.

INSTITUTIONAL SALES/PRIVATE CLIENT EXECUTIVES/FUND MANAGERS/ASSOCIATES

We are a young, very dynamic and rapidly expanding corporate finance house who urgently need frustrated and ambitious executives to join our City based dealing team.
Remuneration is very high for those with established clients, and contacts, within the investment community or those who can convince us they have the ability to achieve them.
We intend to emerge at the very fore of the coming changes in the City *and require talented executives to realise the full potential of* the many new opportunities available. Age immaterial.

Telephone on 01-387 9111 and ask for Miss Woods/Mr Longworth

U.K. and worldwide — £20-£30,000
International Bankers

Our client is a major British, international Bank. Already amongst the top banks in the international league, its demanding business *plans call for the* recruitment of a number of highly talented young bankers.

Their performance will be proved in mainstream banking positions, of varying seniority, to be filled in U.K. and worldwide. They will be graduates aged mid-20's upwards, whose training will have been business-orientated and experience gained most recently in banking.

Commercial, merchant and clearing bank experience is equally regarded. Acceptable functional areas within these banks are of the widest – for instance corporate banking, electronic banking, marketing, treasury, operations – or specialist industries such as aerospace, shipping or commodities.

What matters is that natural talent and exacting training should have produced practical, profit-motivated, high performance Bankers with developed people-handling skills and a rounded commercial appreciation. Non-U.K. experience would be of interest and language abilities will provide additional attraction.

The benefits package is typical of a major international Bank, and career *prospects are excellent.*

The senior management to whom these posts will report is international, highly professional, and committed. Only if you can perform in this demanding environment should you write enclosing CV, salary progression and any other relevant data – and explaining the ways in which you match their stringent standards and the areas of activity in which you could make the greatest contribution.

Please reply to The Managing Director, Performance Management Ltd. 3rd Floor, Waterloo House, 20, Waterloo Street, Birmingham B2 5TF, quoting ref: P102.

Performance Management Limited
MANAGEMENT CONSULTANTS

Pensions Controller
LONDON — c.£24,000 + Prestige Car & Benefits

This highly successful and well known organisation in the service industry has a U.K. Pension Scheme of £75m. assets, £10m. total income, 13,000 members and 3,000 pensioners.

The Pensions Controller will be expected to maintain and develop the most suitable package of benefits to meet the requirements of the Pension Scheme Membership, and to provide every member and pensioner with a first class service.

There is a wide variety of work in administration, personnel and legal matters, as well as Investments and property management. Reporting to the Head of Personnel, the person appointed will control the pension department to achieve effective management of the pension funds and related activities.

As well as a competitive salary, the position carries with it *substantial executive benefits*, including in particular medical insurance and share option arrangements.

Applicants must have pensions management experience relevant to the dimensions of our client's business. They must be persuasive self starters and able communicators. *Membership of the PMI, backed by a relevant degree, would be an obvious advantage.*

If you consider you can meet these exacting requirements, please send a full C.V. to:

The Recruitment Manager, HRS,
Executive and *Management* Search Consultants,
Penthouse Suite, 5th Floor, Sovereign House,
212 Shaftesbury Avenue, London WC2H 8EA.

HRS

NORTH AMERICAN ASSISTANT PORTFOLIO MANAGER

We are one of the largest pension fund managers in London with a commitment to growth and excellence.

We are expanding our international team and looking for a talented and ambitious individual to join the North American equity group, assisting our senior portfolio managers.

The applicant will have a very strong analytical background, not necessarily in North American markets, with a minimum two years relevant experience. The ability to communicate well and work in an invigorating team environment is also important.

Applications, including full CV's, should be sent to: **Ian Carlton, Personnel Manager, County Bank Limited, 11 Old Broad Street, London EC2N 1BB.**

COUNTY BANK

A member of the National Westminster Bank Group

FUND MANAGER–UK EQUITIES

We require a Fund Manager for our UK Department. A minimum of one year's experience in managing, or assisting in the management of, a UK equity portfolio is essential. We are looking for a man or woman who wants to generate their own ideas and take responsibility for implementing them. Our funds under management are continually expanding and career prospects are excellent.

Salary will depend on experience. Benefits include subsidised mortgage and non-contributory pension scheme. A share option scheme is to be introduced.

Please write with full c.v. to
C. H. Ross, Managing Director, Edinburgh Fund Managers plc,
4 Melville Crescent, Edinburgh, EH3 7JB.

Edinburgh Fund Managers plc

CITY OF CARLISLE

Applications are invited from men and women for the following vacancy:

CITY TREASURER
(Post No. SP.101)
£19,440 + £486(4) to £21,384
(Chief Officer's Grade)

Following the appointment of Douglas Moulson to Southend on Sea Borough Council, a successor is sought to head up the City Treasury which employs *some 55* Officers to administer the Council's financial affairs.
The City Treasurer, who will be a member of the Chief Officers' *Management Team*, will be responsible for providing advice to the Council and its Committees on all aspects of local government finance and on the financial implications of the Council's policies and objectives and for ensuring that the Council's financial affairs are properly administered and accord with *standing* orders and other financial regulations.
The successful candidate will have a clear understanding *of* the contribution *which* the City Treasury can make to the overall policies, management and aspirations of the Council, as well as a knowledge of modern financial *management* techniques, together with the adaptibility necessary to introduce new and improved systems.
The duties of the post will include the Treasurership of the Carlisle Airport Joint Committee (Carlisle *City Council and* Cumbria County Council).
Extensive experience of *local* government finance and corporate CIPFA *membership* essential.
Carlisle City Council covers a wide urban and rural area serving a *population of over* 100,000. This *historic* city forms a natural gateway to Scotland and affords easy access to the Lake District *and Pennine Hills, with excellent road and rail* links to other parts of the Country.
Essential car user allowances: Relocation Scheme: Temporary housing facilities.
FURTHER DETAILS AND APPLICATION FORM, RETURNABLE BY 19TH APRIL 1985, FROM THE PERSONNEL AND TRAINING OFFICER, TOWN CLERK AND CHIEF EXECUTIVE'S DEPARTMENT, CIVIC CENTRE, CARLISLE, CA3 8QG. TEL. (0228) 23411, EXT. 283, QUOTING POST NO. SP.101.
CARLISLE CITY COUNCIL IS AN EQUAL OPPORTUNITIES EMPLOYER.

UNIVERSITY OF WARWICK

SCHOOL OF INDUSTRIAL AND BUSINESS STUDIES

Lectureship in Organisational Behaviour

Lectureship in Marketing and Strategic Management

Applications are invited for two Lectureships, one in Organisational Behaviour and the other in Marketing and Strategic Management. Candidates for the first post should be committed researchers in the social sciences with experience of teaching organisation theory and behaviour, or have industrial and commercial experience in the areas of the management of change and organisation development. Preference may be given to candidates with research and teaching interests in the area of strategic decision-making and change and organisation development but candidates with other interests will also be considered. Ref. No. 33/A/2/85/M.

Candidates for the second Lectureship should have the ability to pursue and encourage high quality research. An interest in marketing *communications and a good analytical* background would be advantageous.
Ref. No. 33/A/3/85/M.

Both appointments on the Lecturer scale: £7,520-£14,925 p.a. (under review) with effect from 1st October 1985 or a date to be agreed. Further particulars from the Registrar, University of Warwick, Coventry CV4 7AL quoting the appropriate Ref. No. Closing date for receipt of applications is 19th April 1985.

Assistant Portfolio Manager
Fixed Income

We are the institutional investment advisory subsidiary of a leading European bank specialising in portfolio management. Due to the continued expansion of our successful London operation, we invite applications from candidates with at least two years' experience in discretionary fund management in international markets.

Aged 25-35, *likely* candidates will *have* a *good* grounding *in* foreign bond markets and currencies and be effective in dealing *with clients.* An economics qualification or a research background would be preferred but is not essential.

The remuneration package will be fully competitive for the right candidate and offer the opportunity to *participate* in an exciting new venture with a prestigious European investment banking operation.

Please send a detailed C.V., in strict confidence, to:
Box A8951, Financial Times,
10 Cannon Street, London, EC4P 4BY.

WANTED: SLIGHTLY USED EXECUTIVES

If you are an able, experienced executive or professional person, yet somehow are not making the most of your potential, perhaps you need a new approach to your career. To learn how *'slightly used'* executives have profitably renewed their careers, telephone for a free, confidential appointment — or send us your c.v.

CHUSID

The Professionals in Career Development
London: 01-580 6771
35-37 Fitzroy St., W1P 5AE
Bristol: 0272 22367, Maggs House, 78 Queen's Rd., BS8 1QX.
Birmingham: 021-632 5206, 14 Corporation St., B2 4RN.
Manchester: 061-228 0089, Sunley Building, Piccadilly Plaza.

We are also specialists in 'Outplacement' for organisations, through our Group Company Lander Corporate Services Ltd.

INVESTMENT ANALYST

A vacancy has arisen with the Investment Management Company of an independent Lloyd's Underwriting Group managing worldwide portfolios valued at over £75m. The position will involve working closely with the Fund Manager investigating and making investment recommendations with particular reference to U.K. quoted companies.
The ideal candidate will be self motivated, have a degree, be aged 23-26, and have a minimum of eighteen months experience as an investment analyst or assistant fund manager. A practical knowledge of U.K. Equities is essential together with experience of the U.K. Fixed Interest market.
The preferred candidate will join a small forward looking team providing considerable scope for initiative and the opportunity to contribute to fund management decisions. Salary is negotiable and there is a comprehensive benefits package.

Please send full C.V. together with details of current remuneration to:

P.O. Bourne, Director Administration and Personnel,
Leslie Langton Holdings Limited, 21 Widegate Street, London E1 7HP.

APPOINTMENTS ADVERTISING APPEARS EVERY THURSDAY

Rate £37.00 per single column centimetre

Market Dealers

City **Terms negotiable**

Wedd Durlacher Mordaunt & Co offers the opportunity of an exciting and rewarding career to market dealers with experience in domestic or international equities.

Please telephone or write in strictest confidence to John Cameron, quoting reference C390 at 10 Bolt Court, London EC4 (telephone 01-583 3911).

Chetwynd Streets
Management Selection Limited

HEAD OF FINANCIAL PLANNING AND ANALYSIS

International Banking

Bank of America is seeking a Manager for its Europe, Middle East and Africa Division Headquarters financial planning group. The successful candidate will manage a professional staff responsible for the development and implementation of performance measurement and budgetary systems to support our international banking network.

This challenging position calls for substantial experience in the development and operation of advanced financial planning, budgeting and control systems and will demand strong analytical and problem solving skills. In addition, this role will require the ability to successfully interact with and influence senior line managers.

Candidates should possess a good first degree supplemented by either an accountancy qualification or an MBA and have 5-10 years experience in an innovative, multi-national environment. It is likely that suitable candidates will be aged over 30.

Career development opportunities offered by the scope of the Bank's worldwide operations are excellent. A competitive salary will be augmented by an attractive range of benefits including car, low interest mortgage, non-contributory pension and free medical insurance. Full relocation assistance will be provided if necessary.

If you feel you are ready for this major challenge please send full career details to David Clifford, EMEA Division Personnel, Bank of America, 26 Elmfield Road, Bromley, Kent, BR1 1WA. Alternatively, telephone him on 01-313 2396 to discuss the position in further detail.

Bank of America

City Lawyer
Corporate Finance?

Move Up to

Head of Documentation

c.£20,000

Are you a City-orientated, qualified Lawyer with at least 2 years' experience in the Corporate Finance Department of a British Merchant Bank or equivalent financial/legal institution which has had dealings in the Capital Markets sector?

If so, you will be keen to progress your career by becoming the **Head of Documentation** for our renowned client, the London-based subsidiary of a highly successful and rapidly expanding international finance and investment organisation.

This newly-identified requirement will demand that you are technically competent and sufficiently able to ensure correct documentation procedures are applied in all Lead Management or Syndicated Issues, Swaps transactions, etc. In the Company's best interests, you will therefore liaise regularly with various senior management colleagues and external Legal Representatives.

Courteous, alert, team-orientated, enthusiastic and aged 25-32 years, you can look forward to an excellent range of normal banking benefits, including mortgage subsidy, personal loan facility and private health scheme.

If you feel ready to run your own show and believe you match our requirements, please ring or preferably write to me,
Richard J. Sowerby, Sowerby's (Selection) Ltd.,
Personnel Consultants, 500 Chesham House,
150 Regent Street, London, W1R 5FA. Tel: 01-439 6288.

Sowerby's Selection

General Manager

Distribution Services

Well into five figures — London or Midlands base

The opportunity to build a highly professional distribution company and have profit accountability will appeal to a highly motivated business developer who has expertise in this area.

The group already has a high reputation in this and other related operations and has identified a growth opportunity in a particular area of distribution. The task is to develop rapidly from an existing base of 'blue-chip' customers and establish the company as a market leader in this sector.

To be a candidate you should be 30-45 and come from a profit-accountable role, either in general management in a distribution services company or from a senior distribution post in a large consumer goods organisation. The ability to market and to develop a profitable business is essential. Salary and benefits will be pitched to attract the necessary calibre of candidate and the job base could be either in London or the Midlands, depending upon current location.

Write or telephone for an application form or send detailed c.v. to R.J. Cleland, quoting **ref: GM88/9258/FT** on both letter and envelope. No details are divulged to clients without prior permission.

PA

PA Personnel Services

Executive Search · Selection · Psychometrics · Remuneration & Personnel Consultancy

Fitzpatrick House, 14/18 Cadogan Street, Glasgow G2 6QP
Telephone: 041-221 3954 Telex: 779148

Develop your Project Finance Skills in Banking

Our client is a prestigious international merchant banking group which offers innovative financial engineering services through a comprehensive range of fee-based activities to a select group of corporate clients throughout the world. The Group's project finance team is a recognised leader in the international oil and energy world, both in an advisory and financing capacity.

The team needs to recruit several additional executives who will use the latest technology in project evaluation, feasibility analysis and extensive development of financial modelling. You will also assist in external and internal presentations to senior management and you will be expected to undertake responsibility for the execution of transactions.

You will be under thirty years old, ideally with an accounting or mathematical university background, and you will have gained several years' exposure to project analysis, using financial modelling techniques in a commercial/financial environment. We are looking for self-starters who have a personality which will make a significant contribution to the synergy of this highly motivated team.

This is an excellent opportunity to gain considerable personal and professional development in an exacting environment which will suit only the most able individuals. The remuneration package includes a competitive salary and usual banking benefits commensurate with this position. Please apply to Carmina Leon of Cripps, Sears and Associates Limited, Personnel Management Consultants, 88/89 High Holborn, London WC1V 6LH. Telephone 01-404 5701.

Cripps, Sears

CHRIST CHURCH, OXFORD

TREASURER
(Estates Bursar)

Applications are invited for the post of Treasurer of Christ Church, which will become vacant in December 1985. *Further particulars are obtainable from:*

The Very Revd the Dean
Christ Church, Oxford OX1 1DP

SENIOR PRODUCT MANAGER INT. BANKING To £35,000 + Benefits London	A major International Bank, aiming to consolidate its London market leadership in new product introduction, seeks a creative graduate banker with previous product management experience, aged 28-35, to enhance the development and bringing to the market of new products. Candidates should be able to demonstrate strong planning, systems and interpersonal skills. Ref: DES
FINANCIAL MANAGEMENT To £20,000 + Car W. London	Our client, a highly profitable manufacturer and distributor of high technology products seeks to strengthen its financial function by the appointment of a high calibre graduate ACA in the age range 27-32. Candidates should have proven staff control experience, a familiarity with multicurrency reporting and outstanding interpersonal skills. Previous high technology company exposure would be advantageous. Ref: MJH
MANAGEMENT CONSULTANT To £17,000 C. London	An ambitious newly qualified Chartered Accountant with a good degree and first time passes is sought by a major firm of Management Consultants. The successful applicant will have good interpersonal skills and possess the ability to provide creative input in any expanding area of activity. A stimulating environment with excellent career prospects and attractive company benefits. Ref: KRJL
CONTROLLER POTENTIAL To £16,000 Middlesex	Autonomous UK arm of leading multinational offers exceptional prospects to an ambitious accountant aged 25-30. Broadly based responsibilities including management reporting, financial analysis, performance monitoring and systems development will prepare the successful candidate for a very early promotion to a general management position. Good interpersonal skills are essential. Ref: RSL
MANAGEMENT ACCOUNTANT c £15,000 + Benefits London	A major public company seeks an ambitious qualified accountant aged 23-28 to assist the Group Financial Controller in period reporting, forecasting and a variety of ad hoc projects including profitability and acquisitions studies. This is a development post which will lead within 12-18 months to a company or divisional line position and a substantial increase in salary. Ref: DES
COMMERCIAL ACCOUNTANT c £15,000 City	This market leader, a substantial commercial group, offers supervisory experience at head office and operating company level. Responsibilities will include treasury involvement and some overseas travel. Applications are invited from self-motivated accountants aged mid to late 20's with some staff control experience and the ability to warrant early promotion. Ref: KRJL

HUDSON SHRIBMAN
The complete financial selection service
College Hill Chambers, 23 College Hill, London EC4R 2RT. Tel: 01 248 7851/8 (24 hours)

Newly established United Kingdom subsidiary of U.S. public corporation, engaged in world-wide counter-trade, financing and barter operations, is seeking experienced

SENIOR EXECUTIVE

for London-based operations

Background experience must include financial with marketing orientation plus practical international trading experience. High-level negotiating track record essential.

Remuneration not less than £30,000 p.a. plus profit sharing.

Only executives with the qualifications stipulated should write to:

Mr. A. G. Pole, Ref. IAMC
19 Norfolk Road, London NW8 6HG

Corporate Finance – Documentation

First Interstate Limited, *the merchant banking subsidiary of First Interstate Bancorp*, is currently seeking a professional with experience in the preparation and negotiation of capital markets documentation to join its Corporate Finance Group.

The successful applicant, who is likely to be a lawyer wishing to develop in a new and challenging role, will join a small team which is responsible for negotiating all documentation for the Corporate Finance Group (including eurobonds, euronotes, interest and currency swaps, and syndicated credits) and for supervising the execution of transactions from mandate through to closing. He/she will also assist the bank's marketing and syndication specialists in the preparation of proposals at the pre-mandate stage.

The position offers a competitive compensation package, which will include all usual banking fringe benefits, and an excellent prospect for further development within a merchant banking environment.

Interested applicants should write, enclosing a full curriculum vitae, to Sharon Ayre, Personnel Officer, First Interstate Limited, 162 Queen Victoria Street, London EC4V 4BS (Tel: 01-236 5292).

***First Interstate** Limited*

Young Business Analyst

c.£17,500 — Central London

An excellent development opportunity for a young qualified accountant and/or economics or business graduate to join the small European headquarters of a US multinational, manufacturing and marketing industrial and consumer products throughout Europe.

Reporting to the London-based European Controller and working closely with him, the Business Analyst will assist in short and long-term strategic planning; interpret and analyse individual business operations; review and control capital expenditure and compile financial information to tight monthly reporting schedules for the VP Europe and the US parent.

Candidates, 27 to 33, must have had a minimum of three years' similar experience in a multinational company, preferably American. Essential requirements are the ability to devise and use computerised forecasting systems; a high degree of initiative and professionalism; and excellent communicative and inter-personal skills with all levels of European management.

Please write – in confidence – stating how the requirements are met to Lionel Koppen ref. B.42212.

This appointment is open to men and women.

HAY-MSL Selection and Advertising Limited,
52 Grosvenor Gardens, London SW1W 0AW.

Offices in Europe, the Americas, Africa, Australasia and Asia Pacific.

HAY-MSL

MANAGEMENT SELECTION

Unitised fund management experience?

City **c. £8,500**

A vacancy has occurred within the Portfolio Services (Managed Funds) area of the Investments department of Legal & General.

The job involves the supervision of portfolio services for managed funds, using computerised investment records, and includes administration, preparation of management information and the weekly production of unit prices to strict time schedules.

Aged between 22 and 30, applicants should have experience of unitised fund investment and distinct leadership skills.

Excellent fringe benefits include a non-contributory pension, house purchase scheme, annual season ticket loan and luncheon vouchers.

Please write with cv to Sue Harris, Personnel Officer (Investments), Legal & General (Investment Management) Limited, Temple Court, 11 Queen Victoria Street, London EC4N 4TP.

Corporate Finance

Opportunities for Management Potential

City based – up to £14K

Our client is a leading UK Finance House specialising in equipment leasing transactions to a broad spectrum of industry.

Business growth and market developments have created a number of opportunities for high-calibre graduates, or equivalent, to work on designated accounts. You will need to have up to four years experience in a corporate finance environment with the potential for high-level responsibilities in an organisation which encourages personal development.

Positions are at levels depending on experience and qualifications, with starting salaries up to £14K. Total benefits include non-contributory pension, mortgage and other banking benefits.

Confidential Reply Service: Please write with full CV quoting reference 1937/RS on your envelope, listing separately any company to whom you do not wish your details to be sent. CV's will be forwarded directly to our client, who will be conducting the interviews. Charles Barker Recruitment Limited, 30 Farringdon Street, London EC4A 4EA.

CHARLES BARKER
ADVERTISING-SELECTION-SEARCH

FOREIGN EXCHANGE DEALERS AND COMMODITIES TRADER REQUIRED

Progressive company requires traders with at least 2-5 years' dealing experience covering U.S. dollar and major European currencies and also commodity traders. Preference will be given to candidates with a proven track record. Excellent package is being offered for these positions.

All replies should be sent to Box A.8950, Financial Times 10 Cannon Street, London EC4P 4BY

Accountancy Appointments

Unlike the Grand National, moving into consultancy can be a surprisingly smooth ride. In fact, if you're currently in, say, line management you'll probably find working with us a refreshing challenge.

And because we're one of the top international accounting and management consultancy firms we can satisfy the ambitions of any high flier.

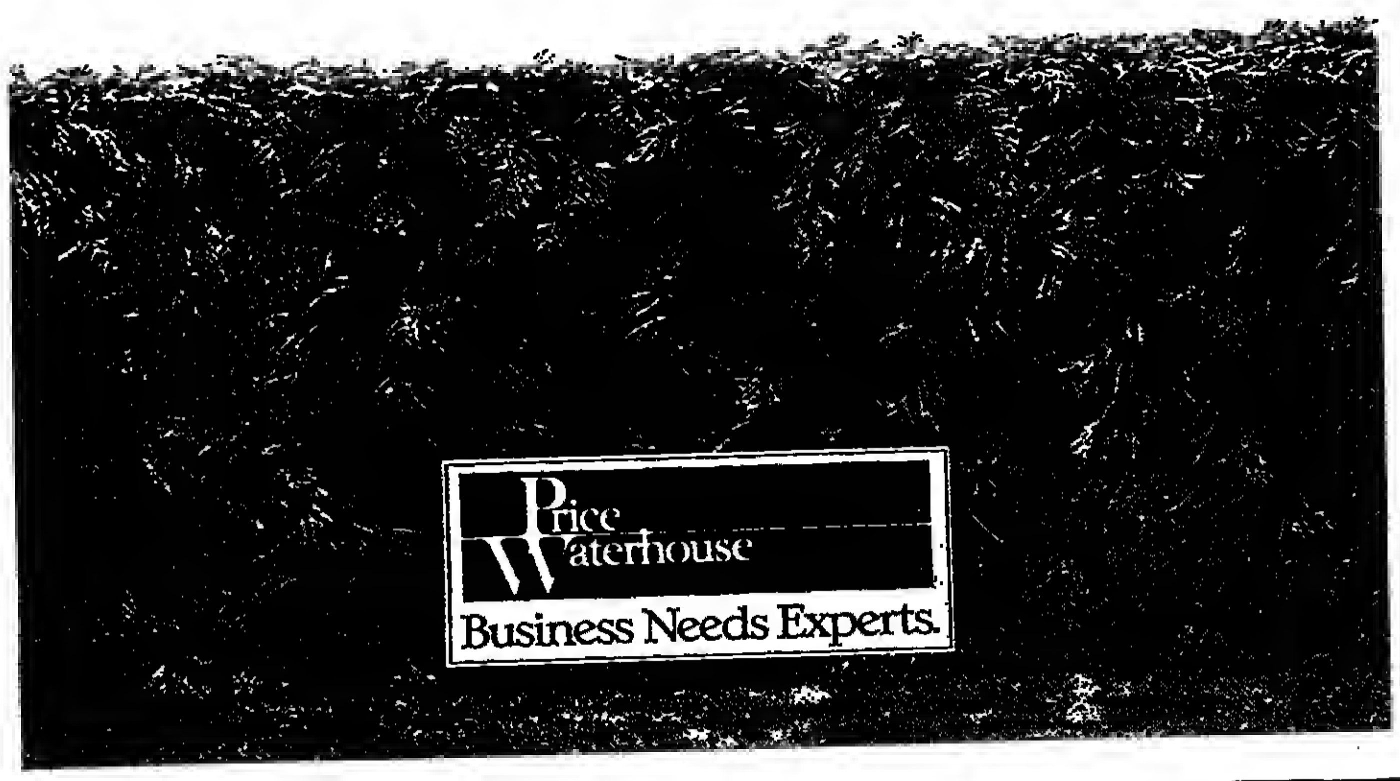
Our client list covers the public and private sector. Our practice involves exposure to the very latest financial and DP techniques. Our solutions are purpose-planned to suit each client's individual needs. Our day to day work is usually anything but routine. And our salary scale can put you right up with the leaders.

For our London practice you'll need to be aged between 26 and 33, be able to demonstrate a successful record – preferably in management – and be ACA, ACCA or ACMA qualified. You may well be a graduate too.

But, most important of all, you'll be a bright, self-motivated achiever, who's looking to be first pass the post.

Please write (in confidence) with relevant career and personal details to David Prosser, Price Waterhouse, Southwark Towers, 32 London Bridge Street, London SE1 9SY mentioning MCS/3975.

Who says consultancy is such a big jump?



Audit Manager

London **c.£20,000+Car**

As a result of the restructuring and expansion of its group audit function, our client, a major health care and insurance organisation, is seeking an Audit Manager.

This is a challenging appointment and will involve the design and implementation of a new and comprehensive audit programme covering all the group's locations. With a staff of 9, the appointee will plan all audit work, allocating resources to take eccount of existing requirements and future developments.

The ideal candidate will be a qualified accountant, aged 30-35, with experience of integrating general and computer audit within an advanced computer environment, ideally gained within a multiple branch structure. The position will require extensive contact with all levels of management and excellent communicative skills are therefore required.

In addition to the negotiable salary, there is an attractive benefits package. This is a career appointment affording excellent promotion opportunities within a highly-respected group.

Please reply in confidence, enclosing career details and quoting reference B6394/L to Valerie Fairbank, Executive Selection Division, Peat, Marwick, Mitchell & Co., 165 Queen Victoria Street, London EC4V 3PD.

PEAT MARWICK

ACCOUNTANTS

BRITISH SUMMER TIME IS HERE AGAIN SPRING IS ON ITS WAY!!

That also means you lose a precious hour this weekend. Make sure you lose no more time in contacting ACTEL if you want to make every hour count towards that Brighter Future.

We have many vacancies nationally and internationally at all levels with super salaries so if you are part or fully qualified, just starting your career or have lots of experience, we can provide the Spring to put the Sunshine into your professional life. Start the temperature rising by contacting Bagby or Bernadette:

ACTEL ACCOUNTANCY RECRUITMENT CONSULTANTS
13 Montague Place, Worthing (0903) 200772

ema

Management Accounting and Analysis

Banking

c £17,500 + Low Cost Mortgage

The London based regional headquarters of a major international banking group, our client has control and review responsibilities for corporate, commercial and retail banking activities in Europe and the Middle East.

Initially working within the bank's London branch, the accountant will be expected to identify areas for profit improvement through the development and enhancement of product costing and customer and service profitability analysis systems. The position is highly creative, will involve considerable use of micro computers and requires substantial exposure to senior management.

In their late 20s, applicants (male or female) should be qualified accountants ideally with a costing/management accounting background. Please write, enclosing a career/salary history and day-time telephone number to David Hogg, FCA, quoting reference I/2298.

EMA Management Personnel Ltd.
Halton House, 20/23 Holborn, London EC1N 2JD.
Telephone: 01-242 7773 (24 hour).

Finance Director

North West **c£20,000 + Bonus + Car**

Our client is a highly profitable, £25m t/o Plc., with subsidiaries engaged in the manufacture and import of consumer products for the retail sector.

Following a period of sustained growth, and the recent appointment of a new Chief Executive, a Finance Director is required for the group's principal operating subsidiary to manage the Group's finance, data processing and administration functions. In addition to the normal responsibilities associated with a position of this seniority, the successful applicant will be expected to contribute significantly to the commercial management of the business, working with the Chief Executive to improve profitability and market share. Other areas of responsibility will include treasury management, acquisition studies and liaison with financial institutions.

Candidates, aged 32-42, should be Chartered Accountants who can demonstrate a track record of proven technical expertise and managerial ability, coupled with the personal presence, communicative skills and commercial awareness required to make a positive contribution to the profitable development of the group.

Comprehensive relocation facilities are available where appropriate. Interested applicants should write to **Alan Dickinson**, quoting **reference 7008**, at Michael Page Partnership, Clarendon House, 81 Mosley Street, Manchester M2 3LQ. **(Tel: 061-228 0396).**

Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow
Brussels New York Sydney

FINANCIAL MANAGEMENT

Thames Valley **£15,000 – £20,000 + Car + Bonus + Relocation**

We have been exclusively retained by one of the UK's leading and successful financial services organisations.

Our client wishes to strengthen a key area within their finance division, to support their continuing and planned expansion, by the appointment of two young graduate accountants, to work at the forefront of business development.

Candidates for this appointment will have, a first class investigative and analytical mind, the ability to communicate and, between two to three years post qualification experience.

Written applications enclosing curriculum vitae should be sent, in strictest confidence, to Robert N. Collier or Neil Gillespie at our London address quoting reference 5114.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

Financial Accountant

Retail–with promotion prospects

West London **c.£18,000**

Our client is an aggressively expanding chain of retail shops, currently based around London but with expectations of wider coverage.

This position, which reports through the financial controller to a director, carries total responsibility for the computerised financial accounting function and department. It is expected that this person will progress to e more senior group position before long.

Applicants should be chartered accountants, aged between 27 and 33, probably with retail business experience and the desire to progress in e competitive and expanding environment.

Please send full career details to Douglas G Mizon quoting reference F/605/M at Ernst & Whinney Management Consultants, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

Ernst & Whinney

FINANCIAL CONTROLLER

Berks **High-Tech** **£16,000+Car**

A rapidly expanding company in the computer peripheral distribution market are offering a unique and exciting opportunity to e 'hands-on' Accountant from either the profession or commercial sector.

Working with the Financial Director you will be responsible for formulating and instigating tha improvement of Company profitability, by constantly monitoring all aspects of the Company's performance, and responding to changing requirements for financial and management information.

Qualified, and in your late 20's, the reward for a high-level of personel performance end initiative will lead to increased opportunities within the group, end therefore offers en excellent career platform for the future.

Please telephone, or write briefly for personal history form quoting reference number BB5366 to Andrew Fowler, Regional Manager.

Management Personnel
Recruitment Selection & Search
2 Eton Court, Eton, Windsor, Berkshire.
Telephone: (07535) 54256 (out of hours (0494) 881384).

Financial Accountant

c £14,000 + car
W. Middx.

Our client is a rapidly growing Company in the hi-tech industry with an annual t/o in excess of £75m.

In line with the company's expansion, a new position has been established for a young qualified accountant, in his or her mid 20s.

Candidates should possess a sound knowledge of systems and financial skills to provide management with accurate information to strict deadlines.

The successful candidate will report to the Financial Controller and may reasonably anticipate succeeding him in the short term.

The salary and fringe benefits are commensurate with a company of international status and rewards in this role are particularly exciting.

Please reply in confidence, quoting ref. HP2203.

BARCLAYS EXECUTIVE APPOINTMENTS
(Recruitment Consultants)
1 Pembroke Road, Ruislip, Middx. HA4 8NQ
Telephone Ruislip 72654.

Accountancy Appointments

IT'S ALL HAPPENING NOW FOR AMBITIOUS ACCOUNTANTS

Central London Up to £15,000

British Telecom has taken up the challenge of change. Committed to technical innovation, entrepreneurial development and financial success, it is one of the most vigorous and exciting enterprises in telecommunications today.

A leading-edge role belongs to National Networks – the BT division with the specific brief, among other responsibilities, to meet the total information system needs of British Business. We are now strengthening our team to meet the challenge of future growth, and have a number of progressive positions for both fully-qualified and part-qualified practitioners in the following accountancy areas:–

Budget and Management

To prepare all financial reports, involving consolidation of plans, budgets and forecasts. Responsibilities will include budget monitoring and producing monthly financial reports for menagement at Board level. For senior positions, in-depth experience is essential backed with a full ACA or equivalent. Opportunities also exist for finalists with commercial experience.

Assignment

To investigate, analyse, recommend end develop accounting and financial systems – reporting to Senior Management within set timescales. Positions are for both fully-qualified and part-qualified eccountants with good financial experience and the ebility to present financial information to users. For some vacancies, a background in computer-based operations will be needed together with an imaginative approach to problem solving.

Ledger

To work within a group engaged in preparing the books of account to audit standard, reviewing these egainst the agreed budgets and ensuring their on-time distribution to management. For more senior posts candidates will be fully qualified with broad-based experience and a good understanding of computerised systems. We ere also looking for finalists or people with substantial book-keeping experience.

Investment Evaluation

You will control and report on multi-million pound capital and investment projects for consideration by the Board, with recommandations for ection e major part of the work. An enquiring mind with ability to grasp new concepts, particularly those of a technical nature, is essential. You must also have an ACA, ICA or equivalent qualification, preferably with some experience in an engineering environment.

These are important positions providing scope for individual talent and commitment, with real opportunities for personal and career development. Starting salaries for senior positions will be up to £15,000 and up to £13,000 for part-qualified accountants.

Please write enclosing a detailed CV and indicating which specialist accountancy area interests you to: Chris Black, British Telecom National Networks (P34), Room 136, 2-12 Gresham Street, London EC2V 7AG. Tel: 01-357 4200.

British TELECOM National Networks

FUTURE FIELD MARSHALS

Career Development Opportunities for Accountants

Some nf the country's most successful businessmen have benefitted from a worthwhile period in consultancy. Some nf them have spent it with Annan Impey Morrish. If yon are nne of a cnming generation of industrial and commercial leaders we would like to assist you to achieve your goals.

Our work is concerned with helping good businesses get better and the invalids get well. Our terms nf reference are developed in the client's boardroom and the diagnosis and corrective action are carried out in the nffices and on the factory floor. The problems are not necessarily financial – they may concern any aspect nf the company's nperatinns.

If you believe in your future, are a chartered or cost and management accountant, have at least eight years commercial nr industrial experience and are a good communicator please get in touch. We have been in business since 1958, are members of the Management Cnnsultants Association and have 3,000 satisfied clients.

If you can help us develop further we can nffer you an interesting jnb, an impressive piece to add to your CV and an attractive remuneration package. Please write to Geoff Child, Managing Director,

Annan Impey Morrish Ltd.,
Management Consultants
40/43 Chancery Lane, London WC2A 1JJ

A.I.M.

TOUCHE ROSS & CO. MANAGEMENT CONSULTANTS

If you find our requirements demanding wait until you get the job

The job is that of a management consultant with Touche Ross & Co., one of the world's largest firms of Chartered Accountants. It's a position that offers considerable challenge and responsibility — matched by an equally substantial reward. Few individuals will take it in their stride. But then, to put it bluntly, even fewer get the chance.

Those who do are usually qualified accountants, aged up to about 40, with a good first degree and several years' commercial or industrial experience. They have intelligence and initiative, drive and ambition, and appreciate that management consultancy demands not simply technical expertise, but practical ability in communicating with clients and solving their problems.

If you think you can join our team, we expect you to be every bit as demanding as the role. You will be based in London and we will pay you up to £26,000 plus a car. We'll give you an exceptional opportunity to increase and broaden your experience, together with the chance to rub shoulders with some of the brightest minds in the business. And if you continue to impress, we're one of the few large firms who'll hold the ladder for you while you climb — and the rungs to a partnership are fewer than you might think.

For the present, however, we'd like to look at your past. So please write to Michael Hurton at the address below, enclosing details of your career to date and your salary record, quoting reference 2262.

Touche Ross & Co.
The Business Partners
Hill House, 1 Little New Street London EC4A 3TR
Telephone: 01-353 8011

DEPUTE DIRECTOR OF FINANCE £19,722 - £21,234

The capital city of Scotland, established centre of finance and commerce, is seeking a Depute Director of Finance. The District Council is committed to a progressive policy of improving services and creating jobs.

Deputy to the Director of Finance, the postholder will be involved in the financial planning process and administration of the financial affairs of the Council in addition to assisting in the management and co-ordination of the activities of the Department.

The postholder requires an understanding of the problems of local authority finance in the light of the current economic situation and also the ability to ensure the translation of the financial aspects of the Council's policy objectives into achievements.

The successful candidate should preferably be a qualified accountant with extensive relevant managerial experience gained at a high level preferably in the public sector.

Application forms and further details are available from the Director of Personnel and Management Services, City Chambers, 249 High Street, Edinburgh EH1 1PL. Telephone 031-225 2424. Ext. 6419 or 6426.

Closing date 22nd April 1985.

Edinburgh District Council is an equal opportunities employer. Applications are invited from women and men, from all sections of the community, irrespective of ethnic origin, disability or sexual orientation, who have the necessary attributes for the post.

City of Edinburgh

EMA

Financial Director

Somerset

to £25,000 + Car + Bonus

Because of an emphasis on product quality our client has developed a considerable reputation in its industrial marketplace. Profitable and with a turnover of £4 million, the company envisages further growth through both new product development and acquisition.

Working closely with the Managing Director and contributing substantially in business decisions, the Financial Director will supervise and enhance the financial function. Concentrating initially on the development of improved control and management information systems, he or she will provide financial guidance to both technical and commercial management.

In their mid 30s, applicants should be graduate qualified accountants with a broad range of industrial/commercial experience. Please write, enclosing a career/salary history and daytime telephone number to David Hogg FCA, quoting reference I/2297.

EMA Management Personnel Ltd.
Halton House, 20/23 Holborn, London EC1N 2JD.
Telephone: 01-242 7773 (24 hour).

EMA

Managing Director

Recruitment Consultancy

City **to £50,000**

Our client is a small, long established consultancy specialising in the financial area, salary ranges 15k-40k. The Managing Director will develop business based on existing goodwill and a reputation for high quality work and will interview candidates at senior level.

Candidates should be aged 26-40 with experience in the recruitment field and will ideally be qualified accountants. Please write with full career/salary history and day-time telephone number to Graham Webster FCA, MBA quoting reference I/2295.

EMA Management Personnel Ltd.
Halton House, 20/23 Holborn, London EC1N 2JD.
Telephone: 01-242 7773 (24 hour).

CHARTERED ACCOUNTANTS

Investment *Banking*
High Rewards

Our specification is to find potential candidates excelling in the profession or consultancy.

A synopsis nf our client's requirements is:- qualified between 1982 and 1985, a good degree and exposure to a wide range nf audits and investigation/consultancy work.

In addition to this basic profile the candidate will be able tn demonstrate flexibility of approach, ambition, ability to work in a trading environment and willingness to tackle non-accountancy work. High salaries are nn nffer.

For further details please write or telephone

R

Rochester Recruitment Ltd., 21 College Hill, London EC4R 2RP
Telephone: 01-248 8346

PROJECT ACCOUNTANT

International Operations

London **Around £19K**

A major UK fmcg company, with a £2,000 million turnover, is seeking a qualified accountant to take a key project post in its rapidly expanding International Division. This is a new position reporting to the Financial Controller. Success in this role will produce a range of opportunities for future career advancement within the Company.

Aged between 27 and 40, you will have proved your ability to become a project leader responsible for the critical review and appraisal of world-wide financial procedures and controls. In the first year, you will play a vital part in the specification and installation of new systems based on your previous application of both mainframe and micro-computer technology.

Working closely with managers in other financial, marketing and operational areas, you will be able to combine your experience of auditing financial standards with your free thinking, investigative strengths. You will therefore be capable of identifying and evaluating alternative courses of action.

The remuneration package will include a dependable profit sharing scheme and other significant benefits.

Please write to Keith McNeish (quoting ref 526), showing how you meet the above criteria and enclosing details of your career to date.

cc&p Cockman, Copeman & Partners International Limited
26/28 Bedford Row, London WC1R 4HF

Financial Controller

Construction Industry £18,000 + car

This is an exceptional opportunity for an ambitious Accountant to head his/her own department, with direct responsibility to the Financial Director for the accounting and associated financial systems of the company.

Our client is an international construction company based in central London, with a substantial growth record in recent years.

The executive they are seeking will probably be about 30 years of age, professionally qualified, and will have spent a number of years working in the construction industry with direct involvement with contracting accounts as well as the associated control systems of a Head Office.

A sound knowledge of computerised systems with, ideally, experience of implementation is required, as well as the desire and ability to make a major contribution to the Company.

The position will involve some overseas travel, and the package offered to the successful candidate will include competitive salary plus a company car, P.P.P. and a non-contributory pension scheme.

Please send full career details to Miranda Lewis, quoting Ref: R2081. All replies will be forwarded directly to our clients.

Roland Orr & Partners
Recruitment Services
35 Piccadilly, London W1V 9PB Telephone 01-734 7282

Accountancy Appointments

EMA

Operations Audit Manager

to £22,000+Car

In a new and highly responsible position, the Manager will initiate and develop the audit function of the UK activities of our client. The UK group, with a turnover of £500 million, includes activities in publishing, printing and transportation.

Based in London and reporting to New York, he or she will be responsible for conducting financial and operational audits at division level in the UK. With considerable independence, the position provides continual exposure to senior management and the growth of the organisation worldwide should lead to excellent promotion opportunities.

Aged 28-35, applicants should be graduate chartered accountants with managerial experience gained in a major professional practice. Please write, enclosing a career/salary history and daytime telephone number to David Hogg, FCA, quoting reference I/2254.

EMA Management Personnel Ltd.
Halton House, 20/23 Holborn, London EC1N 2JD.
Telephone: 01-242 7773 (24 hour).

Financial Controller

North West — **c£20,000 + car**

Our client is a £*multi-million turnover*, household-name group, engaged in the muliple retailing of fashion goods.

They wish to appoint a Financial Controller, who will be responsible to the Finance Director for the management of the total finance function during what promises to be the most exciting phase of growth and development in the history of the company. Specific areas of responsibility will include statutory and *management accounting*, stringent control of group cashflow, budgetary control, financial forecasting, assistance in DP accounting systems selection, strategy and implementation, assistance with acquisition studies and the management of a team of 30 staff including 3 Chartered Accountants.

Candidates should be graduate accountants, aged 30-35, who can demonstrate a solid track record of achievements to date, coupled with a high degree of technical expertise, well developed interpersonal/managerial skills, above average communicative ability and the commercial awareness and ambition required to succeed in a highly competitive environment.

Relocation facilities are available where appropriate. Interested applicants should write to **Alan Dickinson**, quoting reference 7011, at Clarendon House, 81 Mosley Street, Manchester M2 3LQ. (Tel: 061-228 0396).

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow
Brussels New York Sydney

Financial Management

£20,000 +, with Car — **Manchester**

Mancos Computers, distributor of DEC Hardware and developer of innovative software packages, is a highly successful company, with an £8m turnover, offices in London and Manchester, and has been in business for over twelve years. In addition to end-user system sales, Mancos has more recently developed profitable micro-computer and catalogue sales divisions.

Re-organisation within the Company has created a vacancy for a *Financial Controller to manage the Accounts Department* and to play a major role in contributing to the strategic planning and development of the Company through effective financial forecasting.

Reporting to a director, you will be a *qualified* accountant with experience in managing a commercial Accounts Department, and in financial forecasting.

Career opportunities are excellent, salary is negotiable, and will reflect how closely your experience meets our needs; we also offer a company car, profit-sharing bonus scheme and pension and health insurance benefits. Relocation expenses will be available if appropriate.

Applicants, male or female, should apply in the first instance giving full career details, to Ken Elvy, Mercuri Urval Ltd., 1 College Road, Harrow, Middlesex, HA1 1YZ, quoting *ref. no. 535*.

Mercuri Urval

BUSINESS PLANNING/ANALYSIS

South Coast — **£12-15,000 + subsidised mortgage + relocation + large Co. benefits**

Aggressive expansion plans and internal promotions have resulted in a requirement for several analysts within the European Headquarters of one of the world's foremost financial services organisations.

This organisation, operating in a highly competitive environment in 14 European markets, seeks young Graduate Accountants/MBA's with strong analytical and presentation skills, to fill "Management Potential" roles, working within the Business Planning and Analysis group.

To find out more about these challenging and exciting opportunities, please write in strictest confidence, enclosing your C.V. to:– Richard Norman F.C.A. or Neil Gillespie at our London address, quoting reference number 5169.

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
113/115 George Street, Edinburgh EH2 4JN. Tel: 031-225 7744
Brook House, 77 Fountain Street
Manchester M2 2EE. Tel: 061-236 1553

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants

DLA

Young Financial Accountant

Near Uxbridge — *c. £15,000*

We are Glaxo Animal Health Limited, responsible for the Group's animal healthcare interests on a worldwide scale.

Following an internal promotion, we are able to offer an excellent career opportunity to a young, qualified accountant seeking to broaden his/her commercial/industrial experience.

Reporting to the Financial Director, you will be responsible for monthly/annual accounts, financial accounting, taxation and the treasury functions. An initial brief will be to develop financial controls and the underlying accounting procedures for the newly-installed computerised systems.

To meet the challenges of this key position you will need to be professionally qualified with at least 3 years' post-qualification experience, self-motivated with a creative response to problem-solving, and have the man-management skills and personality to deal with contacts at all levels.

The company, situated in rural surroundings but only 5 minutes from the centre of Uxbridge, is offering an attractive salary plus Outer London Allowance and bonus scheme. A non-contributory pension scheme, 25 days' annual holiday and staff canteen are among the generous range of benefits.

For an application form, please telephone Mrs M A Model, Company Personnel Officer, Glaxo Animal Health Limited, Breakspear Road South, Harefield, Uxbridge, Middlesex UB9 6LS. Telephone: Ruislip (089 56) 30266.

***Glaxo** Animal Health Limited*

ACCOUNTANCY APPOINTMENTS
Rate £37.00 per single column centimetre

Assistant Financial Controller

Starting Salary up to £20,000

London Docklands Development Corporation has the unique and *challenging responsibility for the* regeneration of eight square miles of Docklands. The regeneration task involves the attraction of private investment alongside an extensive and directly funded project programme of land reclamation, infrastructure and environmental works.

The Corporation's *Financial* Team, who are very much a part of the central decision-making process, have developed and are continuing to enhance the financial planning, control and information systems.

We are now seeking to appoint an *Assistant Financial Controller who will* take a leading role in the Corporation's financial planning and control activities.

The ideal candidate, who is not likely to be under the age of 30, will be a Chartered Accountant or member of CIPFA or *member of a similar professional* accounting body. He or she will have not less than five years' post-qualification experience of corporate financial planning and control, and that experience will include computerised systems. The nature of the work demands the ability to communicate effectively and to relate to a wide range of professional, technical and managerial personnel both inside and external to the organisation.

Candidates should write to me for an application form:— David Lowman, Personnel Manager, London Docklands Development Corporation, West India House, Millwall Dock, London E14 9TJ.

We intend to start reviewing applications on April 22, 1985.

▶▶▶ CONCEPTS INTO ACTION ▶▶▶

LONDON DOCKLANDS DEVELOPMENT CORPORATION

An equal opportunity employer

Financial Accountant

South Coast — *Circa £15,000*

This new appointment is necessitated by planned growth of a well-established and profitable financial services group, which has recently strengthened its senior technical team.

The person appointed will review and refine existing systems – the object being to develop accounting, cost and financial control, and computerised procedures in a profit conscious environment. Previous experience of reporting to an American parent company would be advantageous.

This is an attractive opportunity for a creative Chartered Accountant to join a dynamic and expanding team in a position offering prospects for personal career progression.

In addition to salary, negotiable as indicated, will be added a subsidised mortgage facility and a subsidised private medical plan. Relocation assistance will be considered, where appropriate.

Please send adequate particulars in confidence to John Finnigan of:

John Finnigan International
Management Consultants
174 Bromham Road, Bedford, MK40 4BW

Finance Director

to £23,000 + Car — **Croydon/Surrey**

A subsidiary of a major multinational, the company is one of the UK's leading manufacturers of high technology engineering products with a turnover approaching £25M p.a. and employing more than 700 people.

They seek a qualified accountant with zeal and enthusiasm to take complete control of the accounting function and improve systems and management information. Operating at board level, the job-holder will be totally involved in the decision making process and will be expected to make a significant contribution to the overall management of the company.

Candidates should be qualified accountants, in the probable age range 30-35 with experience in a complex manufacturing environment and preferably some involvement in contract cost control. A record of achievement, commercial awareness, a strong personality and line management experience are vitally important factors.

Please send your career details to Barry C. Skates quoting reference 6735.

Mervyn Hughes Alexandre Tic (International) Ltd
Management Recruitment Consultants

MHAT

37 Golden Square
London W1R 4AN
01-434 4091

Head of Finance

NW Midlands — ***To £25,000 + car***

This is a senior and influential role within a successful, international manufacturing company operating in competitive industrial and consumer electronics and domestic appliance markets.

The requirement is for a high calibre Finance Manager to control the company's accounting function and to act as financial/commercial adviser to the Managing Director. The initial brief will be to organise and develop all accounting, costing and data processing activites to meet the company's present and future needs. In due course you will become increasingly involved in the overall management and planning of the business—advising senior management on the financial implications of their activities.

You will be a qualified accountant (ACA, ACCA, or ACMA), probably aged between 35-45, with several years senior financial management experience in a growth company, where you have personally developed the influence and prestige of the finance function. Success in the job will be largely dependent on personal drive and persuasiveness, a practical 'hands on' approach and considerable expertise in organising, managing and motivating personnel at all levels. Strong commercial and business skills are a pre-requisite.

Salary and fringe benefits are in keeping with the seniority of the appointment and include relocation assistance where appropriate to an attractive part of the Midlands.

Candidates, male or female, should send full career details in confidence to Jerry Wright, Executive Selection Division, Price Waterhouse, Livery House, 169 Edmund Street (PO Box 120), Birmingham B3 2JB. (Tel: 021 236 5011). Please quote reference MCS/8531.

Price Waterhouse
Business Needs Experts.

c£20,000 p.a.

Finance Director – Designate

WEST SUSSEX
Consumer Durables

A commercially minded ACA/FCA, male or female, age mid 30's, with at least eight years proven industrial experience, ideally gained in a small/medium sized manufacturing environment involved in fast moving, ever changing, short run, low technology, consumer durable products. This experience will result in a thorough understanding of management and financial accounting procedures and computerised accounting systems. An outstanding career opportunity with Europe's foremost manufacturer in its field. Fringe benefits include contributory pension, company car, medical/life cover and relocation expenses.

Suitably qualified candidates please phone 01-600 4708 for an application form quoting GF513 (24-hour service).

GREYFRIARS
EXECUTIVE RECRUITMENT

JOHN W G FORBES MANAGING DIRECTOR
104 NEWGATE STREET, LONDON EC1

هكذا من الأصل

Accountancy Appointments

Haines Watts has grown from a single office to become a national firm of Chartered Accountants with 14 offices, a fee income of £4.5m and a place in the top 30 UK accounting firms within the last 20 years.

This growth is continuing through the expansion of existing offices, openings in new towns and the creation in 1984 of a Financial Services arm to develop the consultancy and corporate finance activities of the group. To help achieve this growth ambitious Chartered Accountants are needed for the following positions.

PARTNERS
West Midlands
Thames Valley
London — **£15 – 20,000 + Equity**

The ideal candidates will be 28-33 having particular experience with a leading firm working on small and medium sized private sector clients. An ability to work well with clients is as important as sound technical ability. Applicants will be seeking an accelerated career path in an organisation where the responsibilities and range of work lead to greater rewards both financially and in terms of career progression.

CORPORATE FINANCE EXECUTIVE
Central London — **c£20,000 + Profit Share**

Haines Watts Financial Services has an established base of clients seeking finance of £100,000 to £2m in addition to many we are advising on mergers, acquisitions and public flotations. The prime role will be to locate suitable finance sources for clients although consultancy work will also be involved.

The ideal candidate, 25-35, will possess a degree and/or professional qualification and have experience of the preparation of business plans and locating venture and development finance. The work will be attractive to those in merchant banking or associated organisations who would prefer to work in a fast moving environment where they can play a major role in the development of the business with success quickly rewarded.

The prospects from this position are excellent with the opportunity to head the area of services within 12 months if performance justifies.

NEWLY/RECENTLY QUALIFIED
Thames Valley — **c£13,000**

We have four opportunities for candidates wishing to move to expanding offices where the wide scope of work will enable those with above average ability to develop to potential partner level in a shorter period than with the major firm that they are likely to be with currently.

UK REGISTER

Qualified accountants seeking a career move either within the profession or in industry may wish to participate in our UK Register so that they may be contacted direct when suitable positions arise either within the group or in client companies. No fees are charged for this facility.

Please contact John Wilcox-Jones on 06285-29383 or write to him enclosing a comprehensive cv at Haines Watts Recruitment Services, Sterling House, Furlong Road, Bourne End, Buckinghamshire SL8 5DG.

Haines Watts Recruitment Services
a division of Haines Watts Financial Services

Management Consultancy : Executive Recruitment : Mergers & Acquisitions : Corporate Finance : Company Flotations

Basingstoke – Birmingham – Bourne End – Bradford – Farnborough – Grimsby – High Wycombe – London – Oxford – Nottingham – Reading – Salisbury – Sheffield – Slough

HW

Tax Manager

"other companies will not give the autonomy and the breadth of experience"

Major Oil Company — c.£18,500 + car

The responsibility for the taxation problems of this £1 billion turnover group is yours for the taking. The scope of the appointment is exceptional and offers:

- complete autonomy to handle the job as you see fit
- diverse group operations including engineering, transport and distribution, financing, insurance, joint companies and all major oil company activities
- liaison with the parent group in Europe involving some travel
- a head office environment which generates a tremendous team spirit

To accept the challenge of this highly visible and demanding role you will be a qualified accountant and/or ATII aged probably 28-35, with at least 4 years corporate tax experience in a major company environment, or alternatively you may have an Inland Revenue background. In addition a familiarity with computer modelling and its application to tax problems is desirable.

This position has a Surrey location and generous relocation expenses are available.

Please forward a comprehensive CV (or telephone for an application form) quoting Ref. MD 299 to Dennis Fielding at Macmillan Davies, The Old Vaults, Parliament Square, Hertford, Herts. SG14 1PU. (0992) 552552.

Macmillan Davies

Macmillan Davies International Search Executive

Group Accounting

Central London

Our client is a major force in office automation and equipment, supplying over 80 countries in the Eastern hemisphere; their manufacturing units in Europe and the Far East produce the widest range of equipment available in this field. Committed to continued growth and expansion, they are currently seeking to recruit three qualified accountants for the following key roles:–

Accounting Standards
to £16,500

Responsibilities will include the implementation and maintenance of Group accounting policies throughout the company's international operations. This position would suit a qualified ACA, with up to 2 years p.q.e. preferably gained within a Big 8 firm. Strong technical ability and a diplomatic yet assertive personality are key qualities.

Senior Business Analysis
to £15,500

A recently qualified accountant aged 24-27, preferably with a manufacturing/management accounting background, is required to prepare profit forecasts, and appraise the operational accounting functions. An understanding of foreign currency transactions and the ability to report to strict deadlines are pre-requisites for this role.

Corporate Accounting
to £14,000

Reporting at senior level this is a stepping stone role for a newly qualified ACA, aged 24-26, to handle all consolidations throughout Europe, the Middle East and Africa. As part of a small, highly professional team, you will gain exposure to corporate accounting and reporting requirements.

Applicants capable of matching the demands of this dynamic high profile organisation should contact **Charles Austin on 01-242 0965** or write to him at 31 Southampton Row, London WC1B 5HY, quoting ref. L2025.

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow
Brussels New York Sydney

Finance Director

South Wales – Salary c £15,000

The Company is a successful, fast growing business, which supplies the building industry.

A Finance Director, who will report to the Managing Director, is required to take charge of the Company's accounting function.

Ideal candidates should be qualified accountants, aged between 28-35 years. Some industrial experience is required and, apart from a knowledge of management and computer information systems, exposure to raising finance and the treasury function is desirable.

The terms and conditions of service are excellent and include a profit-related bonus and a company car.

Please write, in the strictest confidence, with full career details to the Company's advisor – Ian Dighe, Darius Industrial Investments Limited, Darius House, Saint Andrew's Street, Droitwich, Worcestershire, WR9 8DY, quoting ref: OFM/80L.

Darius Industrial Investments Limited
Recruitment Division

Hoggett Bowers

Executive Search and Selection Consultants

BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, SHEFFIELD and WINDSOR

Young High Flying Business/Financial Graduates

MBA — ACA/ACCA/ACMA
London, c.£23,000 + car

A £multi-million, fast-moving, consumer orientated group is seeking to recruit a highly specialised team of qualified and experienced people with the potential to progress into senior financial/business roles. As part of this small influential team, involvement will include stragetic and financial planning and a commercial review of the group's diverse operations. Projects undertaken by this multi-disciplined team and the ensuing recommendations, will have a major impact and significance on the group's future. Candidates, preferably under 30, must be capable of influencing senior decision making through positive, analytical and logical evaluations of business situations. Experience must have been gained within a large company where exposure and involvement in decision making at a senior management level, can be proven. Opportunities for advancement are first-class and the excellent benefits package includes generous relocation assistance where appropriate.

G. Soble, *Ref: 29617/FT.* Male or female candidates should telephone in confidence for a Personal History Form **061-832 3500**, *St. John's Court, 78 Gartside Street,* **MANCHESTER, M3 3EL.**

Major International Bank

FINANCIAL CONTROLLER

Salary £20-25,000

Our client, a major international bank, seeks a Financial Controller for its Europe, Middle East and Africa division based in London.

Reporting to the Division Head, the successful applicant will be responsible for the complete finance function, controlling financial and management accounting, budgeting and planning, as well as taxation and regulatory reporting. There is particular emphasis on the development of management information throughout the bank.

This attractive career opportunity is likely to appeal to an Accountant presently employed in an international bank or alternatively, an Assistant Manager from the accounting profession with relevant experience.

A starting salary within the above range will be offered according to experience together with major bank benefits including company car.

Please contact Leslie Squires on 01-588 6644 or send a detailed curriculum vitae in the strictest confidence to the address below.

Anderson, Squires
Bank Recruitment Specialists
85 London Wall, London EC2

Anderson, Squires

FINANCIAL CONTROLLER

We offer a uniquely challenging job playing a key role in the assessment and allocation of our funds to client organisations across all the art forms in England. We currently distribute £90 million a year and we are poised for a period of substantial expansion and development.

The Financial Controller will manage the Finance Department's Subsidy Section reporting directly to the Finance Director and will be required to show initiative in developing and implementing our financial policies. Applicants should be either qualified accountants or have high-level experience in arts finance and management. Salary will be about £16,000 with annual increments. We also have a non-contributory pension scheme.

For a job description and application form contact the Personnel Department, Arts Council, 105 Piccadilly, London W1V 0AU. Tel.: (01) 629 9495 ext. 266.

Closing date for receipt of applications 19 April 1985.

— An Equal Opportunity Employer —

Arts Council
OF GREAT BRITAIN

Financial Controller

Up to £22,000 plus car

A major process plant contracting company based in the Southern Home Counties, servicing a substantial overseas market, now wishes to recruit a high calibre Financial Controller, reporting to the Finance Director.

This senior appointment offers a first class career for an ambitious accountant with excellent technical and communication skills, who will ideally have gained experience in an industrial contracting environment.

Duties will include:–

★ Responsibility for project, financial and statutory accounting
★ Responsibility for management reporting
★ Provision of financial and allied advice in relation to major international projects

The ideal candidate will be a chartered accountant – aged between 28 and 35 who can demonstrate good, relevant management experience.

An excellent package will be available together with an executive car and relocation assistance where necessary.

Interested candidates should write to Andrew Sales FCCA, Executive Division, enclosing a comprehensive curriculum vitae, quoting reference 226, at Michael Page Partnership, 31 Southampton Row, London WC1B 5HY.

MP
Michael Page Partnership
International Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow
Brussels New York Sydney

Accounting Experience? Could you sell to Accountants?

c.£20,000 p.a. + car + benefits — **London based**

Our Client is one of the leading Computer Services Organisations in the UK and a major supplier of microcomputer systems to a wide range of professional customers. They have a turnover of around £35m and an established customer base in excess of 4,000.

* In conjunction with a major Accounting firm they have developed a Corporation Tax System aimed at the Accountancy Profession and using the highly acclaimed IBM PC.
* Excellent opportunities exist for Accountants to join a team which will sell this exciting product to Firms of Accountants both large and small.
* We would like to hear from people over the age of 25 who:
  — have professional or industrial accounting experience.
  — some experience of Corporation Tax.
  — see sales training and experience as an aid to progressing their careers.
* Comprehensive training will be given in the concept and function of the system, the manner in which it will be used by the profession and of course, in selling.
* Earnings — the positions attract a high basic salary, generous commission and a car; these together with preferential mortgage facilities and profit sharing, create a very attractive remuneration package.

Applicants, male or female, should apply in writing to Maurice J E Willoughby, Mercuri Urval Ltd., 1 College Road, Harrow, Middlesex, HA1 1YZ, or alternatively telephone 01-863 8466 for further information, quoting reference no. 539.

Mercuri Urval

Sharpes

SEED PRODUCERS AND PLANT BREEDERS

FINANCIAL CONTROLLER/DIRECTOR (DESIGNATE)

Rural Lincolnshire — **c £16,000 + car**

A leading international specialist supplier to agricultural and horticultural markets which are undergoing rapid technical and commercial change, the Company has entered a new phase of development and expansion.

A high calibre accountant with a commercial outlook and the proven skill to manage a busy finance department is required to join the progressive management team. Initial objectives will be to develop and improve information and control systems using in house computer facilities.

The successful applicant will report to the managing director and will work closely with the retiring financial director for about one year.

The Company offers a comprehensive package of conditions which reflect the importance attached to this position. This is a career opportunity carrying a potential Board appointment and it is unlikely that the person selected will be over 40 or have been qualified for less than 10 years.

Applications in confidence with full career details to:

M.J. RUTHVEN · MANAGING DIRECTOR
CHARLES SHARPE AND CO. PLC
SLEAFORD · LINCOLNSHIRE · NG34 7HA

Assistant Controller

City — ***c£20,000 + Car***

Our client an international manufacturing and trading group with a multi-million turnover seek a qualified accountant, 26/30, who has achieved sound commercial experience. As a member of a small highly professional head office team, the successful applicant will face a particularly challenging role with considerable exposure to top management at home and overseas. Prospects of future promotion with this international group are excellent. If you have the qualities to match this demanding opportunity please contact R. J. Welsh.

Reginald Welsh & Partners Ltd
ACCOUNTANCY & EXECUTIVE RECRUITMENT CONSULTANTS
123/4 Newgate Street, London, EC1A 7AA. Tel: 01 600 8387

Cost Accountant (ACMA)

Manufacturing Company

ESSEX — **£15,000+ car etc**

Our client, a rapidly expanding packaging manufacturer, part of a major international group, seeks someone to lead and develop the costing department.

Aged 28-33, of degree standard education, he/she will be qualified ACMA, have manufacturing industry experience and enjoy improving production efficiency by providing computer-based cost and management systems information.

Imagination and creativity are key but so is liaison on the shopfloor in this exciting position. Advancement prospects are excellent.

Please write with CV, in complete confidence, to:

A. Higson, quoting H 2015

Higson Ping Ltd./Executive Recruitment Consultants.
110 Jermyn Street, London SW1Y 6HB. Telephone: 01-930 4196

HIGSON PING

Accountancy Appointments

REGIONAL FINANCE MANAGER

Central London — c. £30,000 + Benefits

Division of large Multinational American Company in the Oil Service Sector requires a Regional Financial Manager for their Eastern Hemisphere Region to be based at their London Office.

Applicants should be qualified Chartered Accountants aged 27-45, have experience of running an accounts department and establishing effective levels of control. Qualities of initiative, good communicative skills, a practical approach to task and knowledge of American Accounting and International business environment are most important.

Interviews of successful applicants will be carried out week of 29th April 1985.

Please apply in confidence with a full C.V. to:

P. Blazquez,
MILCHEM DRILLING FLUIDS,
(a Division of Baker International Ltd.)
6, Babmaes Street,
London, SW1Y 6HD

A leading international firm of Stockbrokers seeks

Recently Qualified Chartered Accountants

London — Remuneration £15,000

Hoare Govett Ltd ia an international stockbroking group employing 600 people which is associated with a major American banking corporation, Security Pacific. The group thus has the financial backing which, combined with its own expertise and proven success record, will anable it to capitalise on the opportunities for growth afforded by the dramatic *changes currently taking* place in the City.

Two recently qualified Chartered Accountants are now required to join the Business Settlement Department which plays a key role in supporting the group's planned expansion programme. One vacancy arises in the Financial Control Section, the other in the International Section.

Both positions will involve a mixture of treasury, financial accountancy and management information work, together with a range of special assignments. Experience on the audits of stockbrokers or similar City firms would be an advantage but is not essential, as full training will be given.

Please send e comprehensive career résumé, including salary history and day-time telaphona number, quoting ref: 2261 to W.L. Tait, Executive Selection Division.

Touche Ross & Co.

Hill House 1 Little New Street London EC4A 3TR Tel: 01-353 8011

INTERNAL AUDITOR/CREDIT ANALYST

£14,500 p.a.

plus normal fringe benefits

The successful candidate will be a qualified Accountant with appropriate experience in Auditing and Credit Analysis who will have to work closely with the Internal and External Auditors of the Bank in London and Head Office, Tehran. Fluent Farsi is essential and a knowledge of Iranian business preferable.

Please write in confidence enclosing c.v. to:

G. H. J. Gibbons
Administration Manager
Bank Saderat Iran
5 Lothbury
LONDON EC2R 7HD

GROUP FINANCIAL CONTROLLER

A fast-expanding design Group of Companies based in Covent Garden require an experienced financial controller/accountant.

A working knowledge of computerised accounting systems would be an advantage as would be an ability to develop accounting and reporting systems.

The applicant must be self-motivated and will report directly to a director.

Please send your CV together with details of current remuneration to:

Mr. A. Clark,
NYMAN LIBSON, PAUL & CO.,
226 Finchley Road, London NW3 5JS.

International Appointments

As the leading banking recruitment consultancy exclusively handling overseas appointments, we are currently seeking to fill a number of positions.

MIDDLE EAST

Bahrain — Corporate Finance Executive

Applicants should have a university education with at least 7 years' experience of all aspects of corporate finance, including in-depth knowledge of fixed and floating rate securities and interest rate swaps. Salary guide: $75,000.

Kuwait — Foreign Exchange and Money Market Dealers

Candidates for these senior dealing positions should have at least 5 years' experience gained with a major financial institution.

The Gulf — Senior Operations Adviser

15 years' operational experience is required for this senior post, including extensive knowledge of EDP systems, operational procedures and current electronic banking products from a major international bank. Salary guide: $100,000.

Istanbul — Lending Officer

A minimum of 5 years' experience, mainly in the corporate sector, is important, together with a sound knowledge of export finance, project finance, public and institutional business and fluency in Turkish.

Bahrain — Credit Officer

Ideally applicants should be aged 26-35 with a minimum of 4 years' experience of credit assessment and financial analysis. Some experience of negotiation would be an asset as would knowledge of a second European language. Salary guide: $40,000.

Oman — Chief Dealer

In addition to a sound knowledge of all aspects of foreign exchange, a significant experience of trading other products, such as futures, options, CD's and bullion is required. Middle Eastern experience and a knowledge of Arabic will be advantageous.

If you are interested in any of the above posts or would like to be considered for other overseas opportunities, please send a Curriculum Vitae in confidence to Robert Watsham, Consultant, **Jonathan Wren International Ltd.**, 170 Bishopsgate, London EC2M 4LX, tel: (01) 623 1266, telex 8954673 WRENCO.

London, Sydney

Jonathan Wren International Ltd
Banking Consultants

GENERAL MANAGER MONACO

Recent expansion has caused a Monaco based Management and Financial Services Group to create the new *position of General Manager*, reporting to the Directors.

The successful applicant would be:

- Required to reside in Monaco (Accommodation not provided). French or other foreign languages a plus but not required.
- Applicants must be fully conversant with:
  - all corporate, secretarial, accounting and administrative work in multi-currencies
  - computer based accounting and administrative systems
  - corporate procedures based on English law
- Applicants must:
  - be qualified Chartered Accountants with current UK practising certificate
  - or Chartered Secretaries
  - have 10 years relevant experience
  - be willing to travel - expecially to London to supervise our City office and meet with client advisers
  - provide leadership to 10 staff, and have ability to grow with this rapidly expanding group

Applicants should write, enclosing a Curriculum Vitæ, a current photograph and stating salary requirements to:

HAVAS MONTE-CARLO N° 509
4, RUE DES IRIS
MC 98000 MONACO

Screening interviews will be held in London, a short list of candidates will meet all directors in Monaco.

An attractive package will be paid to the successful applicant: salary tax free and full Social Security and medical cover.

INTERNATIONAL APPOINTMENTS

Rate £37.00 Per Single Column Centimetre

INTERNATIONAL TRADING COMPANY IS SEEKING

INTERNATIONAL TRADERS

Established international trading company in MONACO is expanding and looking for experienced trader for dealing in:

CRUDE & OIL PRODUCTS & SOLID FUELS

Candidates should have proven trading record and experience in a competitive trading environment with existing good contacts within the international markets and knowledge in the shipping and banking fields.

An attractive remuneration, including incentive and bonus, supported by a range of fringe benefits.

Please write full c.v., stating work experience, remuneration package, and any other relevant details to:

AGENCE HAVAS MONACO No. 669
4, rue des Iris M.C. 98000 Monaco

Employment Conditions Abroad Limited

An international Association of Employers providing confidential information to its member companies, relating to employment of expatriates and nationals worldwide.

01-637 7604

Appointments Wanted

British Master

SEEKS EMPLOYMENT IN LARGE YACHT

Ex Tanker Captain, utterly reliable. Age 51. Tel: 0789 25201, (Bogianen) via Fausania 8, Olbia, Sardinia.

Michael Page International

are pleased to announce the opening of new offices at:

55 Rue Vilain XIIII	Suite 1901, 1 York Street
1050 Brussels	Sydney 2000, NSW
Belgium	Australia
Tel: (32) 2 648 1384	Tel: (61) 2 235 1488

The Sydney office is managed by Allan Marks and the Brussels office by John Archer. They look forward to assisting you.

MP
Michael Page International
Recruitment Consultants
London Bristol Birmingham Manchester Leeds Glasgow Brussels New York Sydney

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KING SAUD UNIVERSITY RIYADH, SAUDI ARABIA COLLEGE OF ADMINISTRATIVE SCIENCES

Academic appointments:

Professors, Associate Professors Assistant Professors

are available in the College of Administrative Sciences, on one-year renewable contracts, tenable from 27 July 1985.

Applicants should be PhD holders.

The College *has the following* academic departments (*where* the language of instruction is ARABIC, except for the Hospital Administration Programme):

(1) Accounting (2) Business Administration (3) Economics (4) Law (5) Political Science (6) Public Administration (7) Quantitative Methods, and (8) Hospital Administration, which is part of the Department of Public Administration.

Benefits include:

- ★ Tax-free salaries (based on qualifications and experience).
- ★ Monthly transport allowance.
- ★ Relocation allowance.
- ★ Free furnished accommodation or housing and furniture allowance.
- ★ Free yearly return air tickets for incumbent and family.
- ★ Children's educational allowance (non-Arabic speakers only)
- ★ Free medical/dental care covering family.
- ★ 60 days annual pre-paid leave.
- ★ End of service gratuity.

Application forms are available by writing to the following address, stating clearly the College to which you wish to apply, and where you saw this advert.

Ms Carmel A. Donnachie,
King Saud University Office,
29 Belgrave Square,
London SW1X 8QB.

ONLY SUCCESSFUL APPLICANTS WILL BE NOTIFIED

UNIVERSITY OF WAIKATO
Hamilton, New Zealand

CHAIRS IN MANAGEMENT STUDIES
(Accounting, Finance, Law, Management Information Systems, Operations Management, Marketing, Organisation Behaviour and Personnel, Business Policy)

(Reference No. A85/9)

Applications are invited from persons with appropriate academic qualifications and experience in one or more of the above areas for professorial posts in the Department of Management Studies at the University of Waikato. *The University, which is growing steadily, has nearly 4,000* students in five Schools of Study. The campus of 125 acres is in a suburb of Hamilton, a pleasant modern city with a population of about 100,000, located 80 miles south of Auckland.

The Department of Management Studies currently has a teaching staff of 30 with expanding student enrolments. The Department's programmes incorporate the topic areas of Accounting, Finance, Law, Management Information Systems, Operations Management, Marketing, Organisation Behaviour and Personnel, and Business Policy.

The School of Management Studies offers a unique four-year degree of Bachelor of Management Studies. Other Departments in the School are Economics, Computer Science and Mathematics. Applicants should have a commitment to a multi-disciplinary approach to management education, research and consultancy. A willingness to participate in the development of post-experience programmes is desirable. Applicants should also be prepared to share in the administration of the Department and might be asked to act as Head of Department in due course.

The positions carry annual salaries in the range NZ$45,319-NZ$56,602.

Further information and details of the application procedure are available from the Secretary General, Association of Commonwealth Universities (Appts), 36 Gordon Square, London WC1H 0PF, or from the Registrar, University of Waikato, Private Bag, Hamilton, New Zealand.

Professor B. V. Smith, Head of the Department of Management Studies, is in the United Kingdom until 8 April 1985 and for further information may be contacted through the office of the Association of Commonwealth Universities (tel: 01-387 8572) or by telephoning 030 570 257.

The closing date for applications is 7 May 1985.

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unicef

The United Nations Children's Fund

With Headquarters in New York and offices throughout the world, working with developing country governments to *provide disadvantaged children* and their mothers with the basic services they need to survive and develop, seeks

BUDGET OFFICER GREETING CARD OPERATION

NEW YORK, USA Ref: VN506

Under the direction of the Chief of Section to be responsible for the preparation, administration and control of the greeting card operation work plan (budget) and to undertake financial analysis. Assist the accounts unit in cost and sales analysis.

Qualifications:

University degree in business administration or related field. Professional qualifications in financial and budgetary planning. Good knowledge of EDP. At least 5 years' financial analysis and budgeting experience at the professional level; 3 of these in a supervisory capacity. English, excellent writing skills required. Knowledge of French and/or Spanish desirable.

Salary commensurate with qualifications and experience. Excellent benefits package.

Deadline for application:

APRIL 11, 1985

Send detailed resume to:

Michael K. Corbett
Chief Recruitment and Placement
UNICEF
866 UN Plaza, New York, NY 10017, USA

Company Notice

NOTICE OF PREPAYMENT

MEGAL Finance Company Ltd.

ECU 100,000,000
Floating Rate Notes due 1994

In accordance with paragraph "Redemption" of the terms and conditions of the Notes, notice is hereby given that MEGAL Finance Company Limited will prepay at par on the Interest Payment Date falling on April 29, 1985 the total amount remaining outstanding of the above-mentioned Notes (i.e. ECU 8,333,000).

Payment of interest due on April 29, 1985 and reimbursement of principal will be made in accordance with the terms and conditions of the Notes.

Interest will cease to accrue on Notes as from April 29, 1985.

Luxembourg, March 27, 1985

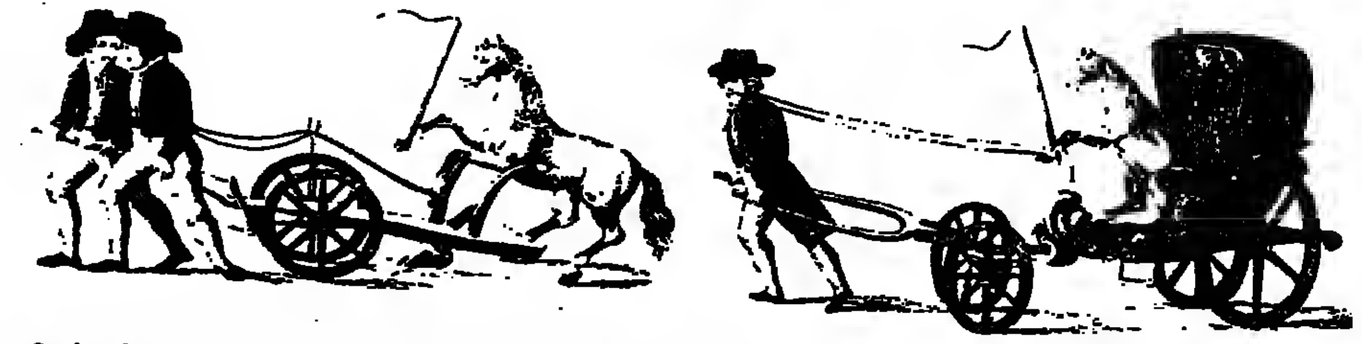
The Fiscal Agent
KREDIETBANK
S.A. LUXEMBOURGEOISE

هكذا من الأصل

THE ARTS

German prints/Roy Strong

Upside down in a cruel world



On the whole, scholarship has steered clear of the world of the popular print. To the art historian their aesthetic inferiority must inevitably be distasteful; while to the straight historian they present all the difficulties of unravelling a psyche of lost images and, as such, are best assigned the role of mere illustration.

In spite of our laments we still live in a highly literate society and forget the novelty of the assumption upon which it moves: that everyone can read. It is a relatively recent one, just about a century old in this country. We, therefore, under-estimate the place occupied by such popular printed images in the hundreds of years from the invention of printing in the early modern period until well into the 19th century.

The Topsy-Turvy World, at the Goethe Institute in Exhibition Road, West London (until April 24), launches us into a part of that lost world with a collection of 86 prints from the collection of Günter Böhmer. They make up an unnerving and not-altogether-pleasurable experience. That, however, should not be a reason to avoid it, for on the walls is hung subject-matter which one often wishes had not existed; and yet, its persistence reflects how deeply rooted it is within the subconscious make-up of the European mind.

Perhaps it is significant that nearly all the prints directly on the theme of the world-upside-down belong to the *biedermeier* period when the *ancien regime* was re-established in the aftermath of the Napoleonic wars. Bourgeois society then had no means of expressing the new liberal ideals. One senses its frustration finding fulfilment in contemplating these savage satires. Presented in strip-cartoon format, their content is virtually constant: a horse sits in a carriage whipping a man who draws it; a patient ministers to his doctor; mice chase cats; a tree saws a man into logs; or a lady asks a man to dance. The theme goes back to the Renaissance and, ultimately, to classical antiquity; but what is compelling is how the same situations can be read either way according to time and circumstance for, simultaneously, they violate or sustain the existing order of things.

It is the matter-of-fact rendering of cruelty in the more violent of these role-reversal images that is so disturbing, evoking in mind the more sadistic streak in German literature typified, for instance, by the punishments meted out in Grimm's fairy tales. An ox literally picks up a chopper and begins to gut a man hanging from the ceiling. In our own century these strike new chords: the ones that touch on our relationship with the natural world and, above all, the one with animals. In this way they retain their potency in a new context.

So do those whose mainspring is an obsession with dwarfs and monstrosities—a celebration of the grotesque in human form that today would produce mass outrage from the huge lobby for the disabled and physically handicapped. That has no place in the make-up of earlier periods.

Jacques Callot's *Varie Figure* Gobbi, or various sorts of misbirth, which appeared first in the 1620s, had a long and vigorous life. He depicts beggars with enormously enlarged heads, hunchback musicians, dwarfs with hideously distended or overhanging bellies. Callot immortalises the cult by renaissance courts of such deformed people who were accorded a place within their ranks, given suites of tiny rooms (as at the Gonzaga court) or, in Spain, immortalised by the brush of Velasquez.

We forget that, for centuries, these abnormal people were used as part of the repertory of decoration from porcelain to garden statuary. Its contemporary equivalent would be the use of Down's syndrome children in wallpaper design.

One stream of imagery that remains vital, if diluted, is the anthropomorphic. Anyone familiar with today's ocean of fluffy animals, mascots and greeting cards will recognise the complex roots upon which this sentimentality has been built. It is, in fact, the sentimental side that is missing, an overlay applied only to animals from the middle of the 18th century by the bourgeois classes, and whose eventual result we know in the form of Beatrix Potter, Walt Disney and Paddington Bear.

We are in tougher climes here, with *singeries* aimed at pillorying the foibles and follies of mankind. They are depicted skating on ice, in a parody of a picture by Avercamp; or, a century later, a bewigged monkey enacts the excesses of contemporary courtship from dancing a minuet to climbing a ladder to a balcony.

It is easy to forget how long the influence of Arcimbold lasted. Here, we see it spill down through the centuries. Mountainous landscapes become a man's head in profile; a rock on close inspection is a human head and face; while, in another, huntsmen ride over what is a vast eminence identifiable as a dead stag. It is as well to remember that our own popular imagery will appear as bizarre and remote in two centures' time as any we see here.

Nerone/Camden Festival

William Weaver

When Arrigo Boito died in 1918 he was a pillar of the Italian cultural establishment, revered librettist of Verdi's *Otello* and *Falstoff* and composer of the youthful *Mefistofele*, then firmly in the operatic repertory. He left a puzzling legacy, the unfinished *Nerone*, on which he had been working—or claiming to work—for more than half a century. His literary executors found an embarrassing richness of drafts, revisions, pentimenti. Toscanini, who was to conduct the posthumous premiere, had to call in two composers to help sort out the manuscript; first Antonio Smareglia, then Vincenzo Tommasini. The first production of *Nerone* finally took place at La Scala in 1924. It was a *succès d'éstime*; the work has rarely been revived (in 40 years of Italian opera-going, I have seen only two productions).

Now, thanks to the enterprise of the Camden Festival, *Nerone* has had its first British performance (a concert version on Tuesday night in Logan Hall), 60 years after its Milanese production. London's opera-lovers will be grateful, no doubt, for this opportunity to hear a work so famous but so ill-known; it is hard to believe, however, that the festival's venture will lead to repeats, or to stagings of *Nerone* here.

In a letter to a friend, Boito once spoke of his "fear of art," a phrase that might be translated as "fear of great art," or "fear of not being great." After all, a man who has worked with Verdi and—as sources—with Goethe and Shakespeare might well feel some inhibitions in tackling a grand opera based on the Roman empire. In his determination not to sound like anyone else, Boito erased all character from his music. It sounds like nothing much at all. Boito was not much good with tunes, anyway, so there are only wisps of phrases, false starts that go nowhere. The best music is for the scenes of Roman pomp (the Christians, naturally, have ethereal, washed-out orchestration); they have a stirring, Hollywood martial ring, but cannot come up to Franz Waxman or Erich Korngold.

Some of the singers, trying to infuse life into the dull score, yelled and hammed, but to no avail. The best singing came from Sirry Ella Magnus, as Rubria, the Vestal-turned-Christian; and from Alastair Miles and Patrick McCarthy, in smaller parts: Miles has a deep, solid bass, and McCarthy is clearly a valuable character-tenor.

In *Nerone*, the chorus has a lot to do, and the Abbey Opera Chorus did it very well indeed. From the pretty song-fragments that drift across the Roman campagna in the first act, to the "crowd music" of the Circus Maximus, the chorus found just the right sound and volume. Much of the credit must go to the conductor Antony Shelley, who kept his large forces together and drew enthusiastic, if not always accurate, playing from the Abbey Orchestra.

Philharmonia/Festival Hall

Andrew Clements

Simon Rattle's account of Shostakovich's Fourteenth Symphony is already established as a searing, profoundly moving experience. He repeats it at the Barbican next Sunday with the London Sinfonietta. On Tuesday, at the Festival Hall, he turned his attention to the Tenth with the Philharmonia Orchestra, and produced a performance of quite spectacular intensity and architectural assurance, with the orchestra restored to its most formidable form.

Rattle's view of Shostakovich 10 seemed structurally akin to that of a Mahler symphony especially the Fifth: the substantial and tragic first movement closely twinned with the ferocious scherzo, the two movements played with scarcely a break between them; the third movement a broad character piece standing alone; the finale preceded by an extended, relaxed introduction. It made perfect musical sense, and at the same time placed the emotional centre of the work firmly in the first two movements, with everything thereafter cathartic.

Only because the plan was so perfectly realised does it demand such an attempt at explanation. In every detail Rattle obtained superlative playing from the Philharmonia: fine reserves of string tone in the first movement, stark, raw chording in the second, a secure brass choir, above all perhaps pungently characterised woodwind, with the bassoon especially outstanding. By paying attention to every nuance of the solos in the third movement the symphony was seen through its potentially weakest passages; the finale may be short-winded but it was carried here with convincing virtuosity.

This exceptional concert almost fell into the apparently now old-fashioned scheme of overture — concerto — symphony. Almost, because David Matthews's *September Music* is not quite an overture, more a gentle idyll, a kind of latter-day Butterworth rhapsody, elegantly shaped and limpidly scored. The concerto was Mozart's G major K.453 for piano; the solist was Alfred Brendel in severely disciplined mood in the first movement, grand expressivity in the second and delicious wit in the finale, where Rattle too led the orchestra in some tellingly moulded playing in the slower episode.

Babes in Arms/Brighton

Michael Coveney

The British premiere of this wonderful 1937 Rodgers and Hart musical (composed one year after *On Your Toes*) was given by the students of LAMDA last year in a fresh and touching production by Wendy Toye. Roger Redfarn's touring version this week at the Theatre Royal, Brighton, has many good points but the musical direction of Alan Bruce is not one of them, nor are the crashing scene changes during "My Funny Valentine." When that marvellous song gets reprised, so, alas, do the stagehands. There is a heartlessness at the core of the evening, a brash crudity that is not quite the same as an abrasiveness appropriate to the great Hart lyrics. The hairstyles are all to pot, too.

Still, one must be thankful for small mercies. Or, in the case of Matthew Kelly, tall ones. You will remember from the 1939 MGM movie that Mickey Rooney played the revue composer leading his band of underpaid apprentices at a Cape Cod summer theatre from dilapidated fortune to ultimate triumph. Well, Mr Kelly in the same role is about five feet taller than Mr Rooney and, even with his *Game for a Laugh* beard shaved off, he is not all that fresh-faced a juvenile. What he lacks in musical finesse, however, he makes up for not only in inches but a pleasant, gawky comic manner.

The Judy Garland role is taken bravely but, in truth, pallidly by Julia Howson, but the female star is another popular TV face, Su Pollard from *Hi De-Hi*. Miss Pollard's spectacles always match her dress even when her voice does not match the music. Her best moment as the theatre's put-upon co-director comes when she fills in as the maid in the doomed play by the tiresome Tennessee Williams lookalike (rendered even more tiresome and lookalike by Brian Godfrey). She displays sure comic timing, a powerful voice and a spectacularly slender pair of legs.

My own particular favourite, however, is "I wish I were in Love Again" with its brilliantly intricate and witty lyric—"When love congeals it soon reveals the faint aroma of performing seals" is a fleeting sample. As the support couple entrusted with this song, Lisa Maxwell and Mark Hodgson need to be reminded of the quality verse at their mercy.

The competent choreographer is Tudor Davies, the reasonably ditto designer Terry Parsons. The good jokes of George Oppenheimer's book are best delivered by Yvonne Manners as a domineering mother. After Brighton, the show moves as to Swansea next week, settling eventually by mid-May in Manchester.

Humana Drama Festival/Louisville, Kentucky

B. A. Young

"I don't know," said an American critic sitting behind me, "if we come here for the plays or just to meet all these lovely people." This year, we have had to rely chiefly on the lovely people, for the ninth Humana Festival at Louisville hasn't been a great year for drama.

The prize exhibit was certainly *Tent Meeting*, written by the three actors who played it. Becky (Rebecca Alworth) is a simple girl who has had a baby so malformed that she thinks it's a girl. Her father, the Rev Tarbox (Levi Lee), insists not only that it is a boy but that it is Jesus born again. As he might well be the baby's father, his opinion must be considered; but when he decides to hold a great prayer meeting to announce this Second Coming, things have gone too far.

The play is full of invention. It has much humour, real tension, a hint of pathos, and truthful satirical observation (I am told) of the evangelical life. The ending, at the height of a meeting that tempted the audience to join in the prayers and hymns, doesn't cap the earlier business as well as it might, but it's no disaster if the last chocolate in the box fails to match all the rest. The third actor is Larry Larson, as Becky's equally simple brother, Darrell, who has made himself a war hero by buying a medal at a junk shop.

Jon Jory, the Festival director, has indulged his liking for one-act plays this year, something in which the company has often excelled. There were only two more full-length plays, but nine one-act pieces, ranging from 45 minutes to 90.

Two Masters was a couple of 45-minute plays by Frank Manley. The first is an account excellently told by Kathy Bates, padded beyond her normal dimensions, of an encounter with an escaped prisoner seeking shelter in the caravan she shares with her husband. She is sure that, as a condemned robber, he must have lots of money, perhaps dug up from some hiding-place, so she gets her husband to shoot him. It all goes with a sense of cold-blooded fun.

Andy Becker, the husband, is confined to a hospital bed in the other play, able to communicate only by stabbing at letters on a kind of ouija board. Two old ladies (Adale O'Brien and Beth Dixon) visit him on an "errand of mercy." They like to cheer the sick by "giving them something to think about besides being old and dying of cancer." They console their patient for the death of his cat by reminding him that, if cats live longer than his did, it means they weren't hit by a car or poisoned by anyone. It's wonderfully callous and uncommonly funny. Black farce seems one of the flavours of the season.

There were two similarly black pieces of less value. In *The American Century* by Murphy Guyer, the laughs are based on impossibilities, which won't do in farce. A soldier reunited with his wife after four years tells her of the wonderful future he has planned, when a stranger of his own age enters and claims to be his son. He is familiar with all the family knowledge that he couldn't have known. More, he prophesies a desperate future that drives the soldier away to re-enlist. A bit silly, but nice playing by Dana Mills as the son.

Douglas Soderburg's *The Roots of Chaos* was a fantasy about a family living above a burning coalmine. The trouble here is that the successive deaths of mother, daughter, son and father are illogical and not always relevant.

One interesting short play, *Advice to the Players*, by Bruce Bonafede, was the season's only concession to current affairs. In it, the ANC, for political reasons, closes a performance of *Waiting for Godot* by two black South African players at an American festival. The political and social points raised are interesting, though not always valid. Splendid playing by Tom Wright and Delroy Lindo as the actors, and Anna Maria Horsford (also black) as the ANC's messenger. This play shared a programme with *The Black Branch* by Gary Leon Hill, a pointless piece set in a mental hospital.

Of the longer one-act plays, the most entertaining was James McLure's *The Very Last Lover of the River Cane*, about two cowboys fighting over a girl. Why the girl, played by Debra Monk, is called the River Cane we never learn; Jon Jory told us at a Press conference how exposition was economised in one-act pieces, and perhaps the economy dammed the river at source. The action consists mostly of a very long fight, ingeniously devised by Steve Rankin and fought tirelessly by Christian Kauffmann and Leo Burmester. Mr Burmester takes a 15 ft swallow-dive from a balcony on to his colleague. Around the battle there is Texas cowboy chat that contains some good, funny lines.

Days and Nights Within, by Ellen McLaughlin, shows a German-born American Communist lady (Beth Dixon) being interrogated by an East German security man (Ken Jenkins). We see all the classic techniques, except bodily torture, and after a year's failure to extract anything the interrogator packs up and relegates his victim to another operator. The play, which strays now and then into dreams, gives scope for varied and sensitive acting.

Now, down to the depths. *War of the Roses* by Lee Blessing (75 minutes with no interval) is an account of how David and Carolyn (Rose, of course) meant to celebrate the 21st anniversary of their honeymoon and ended with a decision to divorce. Carolyn thought David was too predictable; I thought Mr Blessing was too predictable. Every known cliché of marital dispute is there, including a final reconciliation, *molto rallentando*. Neat playing by Paul Collins and Cara Duff-MacCormick, for what it's worth.

Then there was J. F. O'Keefe's *Ride the Dark Horse*, about the hysterical behaviour of a suburban Chicago family when their daughter (the attractive Melody Combs) suddenly falls ill with a glandular disease, and duly dies in her father's arms. I couldn't believe in any of them except the two kids, Joel and Lennie, who were always anxious to get out. "Oh, God, how can this be?" the mother kept asking, and so did I. Robert Spera, the director, wasn't very happy with his eight characters on the little stage of the Victor Jory Theatre.

I would probably have given the same bads marks to Heather McDonald's *Available Light* about French peasants in 1832, with songs and dances, but I was too discouraged to come back after the interval and this disqualifies me from pronouncing a thoughtful judgment.

All the designs, both in the big Pamela Brown Theatre and the small Victor Jory, have been done by Paul Owen, who can do more by decorating a single wall than some can with the Drury Lane stage. In the big theatre, where he can be more elaborate, he produces impressive sets, such as the vineyard in (the author insists) Normendy.

The plays have been selected from 2,000 unsolicited scripts by the four literary staff, whose debates over the year should have been worth hearing. But whatever the standard of the plays, the acting is of the usual impeccable quality, and the efficiency and charm of the front-of-house staff is unique.

Handel/Royal Northern College of Music

Stanley Sadie

There is no good musical reason why *Teseo*, the ninth of Handel's operas and his third for London, should have had to wait so long for a stage revival in this country. Tuesday's performance in Manchester was the first, it seems, since the last that Handel himself directed in 1713. There are further performances tonight and on Saturday; the opera is to have a London revival by the English Bach Festival in July, in association with the Handel Tercentenary Festival.

Handel's first London opera, in 1711, had been the highly successful "Magic Opera" *Rinaldo*, his second the more modest *Il pastor fido*. With *Teseo*, he clearly was aiming at another spectacular success. His librettist, N. F. Haym, turned to the land of operatic spectacle, France, for his text, and arranged one that Quinault had written for Lully to set in 1675: hence the five-act form of *Teseo*, uniquely among Handel's operas.

The work combines a classical plot (a story about the young Theseus) with magical elements (the sorcery of Medea). It was originally given with lavish "scenes, decorations, flights and machines" and new, rich costumes. The music, too, if not as sensationally various as that of *Rinaldo*, is lavish. Its enterprise and almost experimental character are that of a youthful composer—Handel was 27 when he wrote it—flexing his muscles.

The opera opens, according to the stage directions, in a temple of Minerva, near Athens, where a battle is being fought. In Malcolm Fraser's production, it opens in a country house, a royal residence adapted temporarily as a hospital in a war of the early 20th century. The female characters are nurses or ladies of leisure, the males (besides the king) young officers. The opera is, nevertheless, sung in the original Italian.

I find it a shade curious that a conservatory should elect to produce a historic work in a way that makes many of the characters' utterances meaningless and requires them to act in a way that is wholly at odds with the music. In this kind of realistic context the use of high voices for the male parts, though musically obligatory, becomes once again a troublesome issue, as it does not in a setting that comprehends some degree of stylisation.

So does Medea's sorcery, when, in a blaze of pink smoke, she transforms the house into a "hellish landscape" strewn with bodies, peopled by sinister men in gas masks (as well as the understandably puzzled cast) and watched over by sentries from searchlight towers. There must be better vehicles than *Teseo* to carry Mr Fraser's message, whatever it may be. There are better ways of treating *Teseo* too.

If it was one of those evenings where the eyes are better kept closed, it was certainly one for keeping the ears wide open. The RNCM has some singers of exceptional promise. Janice Close brought a voice of considerable beauty and expressive power to Medea's demanding role, showing musicianship of real maturity and a capacity for coping with big rhetorical utterances. It was a pity that such a superb Act III aria had to be delivered from so far back on the stage. Gillian Webster sang Agilea's music in a bright, ringing soprano, capable equally of rhythmic and accurate divisions and a long expressive line.

The role of Clizia was sung with some charm and vivacity, if slightly indistinct articulation, by Rachel Robins, and there was clean and spirited singing from Adrianne Murray as Arcane. Louise Jackson, in the castrato role of the king, Aegeus, started unevenly but by the end of the evening was showing a low mezzo of some beauty and vigour. The leading castrato part of Theseus was sung with character and vitality by Diana Palmer, who is not yet a very sure actress. One sometimes pined for a male voice, but even the tiny *deus ex machina* part, probably assigned to a bass by Handel, was taken by a soprano.

U.S. choreographer at Sadler's Wells

American choreographer Merce Cunningham is bringing his contemporary ballet company to Sadler's Wells for a two-week season from May 14-25.

There will be four separate programmes with a variety of composers.

Saleroom/Antony Thorncroft

Waugh makes £59,400

The autograph manuscript of Evelyn Waugh's second novel, "Vile Bodies", sold at Christie's yesterday for £59,400, almost three times the pre-sale top estimate. The buyer's identity was kept secret but the British Museum was believed to be the under-bidder.

"Vile Bodies" is the only Waugh manuscript not in the University of Texas, which purchased his entire library on his death in 1966.

Waugh gave it in 1930 to his friends Bryan and Diana Guinness with the inscription: "I am afraid that this will never be of the slightest value." It was sold yesterday by their son, the Hon Jonathan Guinness.

Christie's auction of manuscripts and letters totalled £373,723, with 12 per cent bought-in. Brahms's autograph manuscript of the first of the "Five Songs" made £48,600 (against a £10,000 top estimate), and the London dealer Fritz-Denneville bought a letter by Martin Luther to the Elector of Saxony, dated 1527, for £22,680.

Other high prices were £19,440 from Haas for a letter by Hayden to John Bland; £18,360 from Minerva Rare Books (London) for final typescript with autographed corrections of Dashiell Hammett's greatest novel, "The Glass Key"; £17,280 for a Ravel autographed manuscript of the song "Un Grand Sommeil"; £14,040 from Sawyer for a collection of papers related to the exploration of North America during the 1760-1770s (estimated £1,000); and £4,538 for letters and other memorabilia of Captain Oates, who died near the South Pole in 1912.

Sotheby's auction yesterday of Impressionist modern pictures did better than Tuesday night's sale and the morning session totalled £1,944,250, with only 12.3 per cent bought-in. Top price was £74,800 paid for "Scene de Rue, Lagny" by Henri Lebasque.

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

March 22–28

Exhibitions

NEW YORK

Treasures from the New York Public Library: 260 works chosen from one of the five best library collections in the world may cover America better than Europe, but the inclusion of a Gutenberg Bible, the Tickhill Psalter and French bindings supplements Americana, such as examples of Melville's work, announcements of the discovery of New York, and one of the earliest globes. Ends May 24. (42nd & 5th Av).

WASHINGTON

National Museum of American Art: 49 works by five 19th century black artists highlight a show of a little-known area of American art. It reminds the world of Joshua Johnson, the first recognised black American portrait painter; Henry Ossawa Tanner, a student of Thomas Eakins and neo-classical sculptress Edmonia Lewis. Ends April 7.

CHICAGO

Art Institute: 82 great architectural drawings cover the last five centuries in this show lent by the Royal Institute of British Architects. Ends Mar 31.

TOKYO

Leonardo da Vinci Nature Studies: 50 drawings on loan from the Royal Library at Windsor Castle concluding a travelling exhibition in Europe, U.S., and Australia. The exhibition has been designed by Paul Williams, designer of the Renoir at the Hayward Gallery, London. Seibu Museum of Art, Seibu Department Store, Ikebukuro. Ends May 12.

Tokyo in the Sixties: A rare chance to see Press photographs of Mitsutoshi Hanaga who has captured many of the events of that turbulent decade in Tokyo – much to the authorities' chagrin who feel such Press photos now tarnish Japan's modern image. Plan B Event Space. Nakano (near Nakano Fujimicho Station). Fri only. (384 2051).

PARIS

Hans Holbein the Younger (1497-1543): Thanks to the acquisitions by Louis XIV, the Louvre boasts one of the richest and rarest collections of the court painter of Henry VIII. Five of his masterpieces, portraits of Erasmus and Anne of Cleves among others, retrace his artistic development, accompanied by several drawings of equally prime importance. The exhibition is completed by paintings from the royal collections thought, mistakenly, to be by Holbein. Louvre, Pavillon de Flore, Porte Jaujard (260 3926). Closed Tue, Ends April 15.

LONDON

Renoir – a survey of the life's work of the artist who, more than any other, has come to be seen as the quintessential Impressionist. Yet this easy labelling is now shown to be a gross and misleading over-simplification. In Renoir, once the label falls away, we find a wonderfully instinctive painter, aware of what his fellows were doing and responsive to it, but never the creature of theory, analysis or programme. The later works, hitherto considered so difficult, stand as major works in their own right. Organised by the Arts Council and sponsored by IBM, this fascinating and beautiful show goes on to Paris, where it will be much extended, and to Boston.

WEST GERMANY

Berlin, Schloss Charlottenburg, Spandauer Damm, Neuer Flugel: Berlin is putting on the biggest exhibition of Antoine Watteau to commemorate the 300th anniversary of his birth. The National Gallery of Arts, Washington, the State Museum of France and the administration of Berlin's castles are sponsoring the show. The French rococo painter often used poor quality colours, therefore many of his paintings are in a bad condition and have not been displayed before. The exhibition includes 73 drawings and 143 paintings. Ends May 25.

BRUSSELS

Palais des Beaux Arts: Felicien Rops – drawings, paintings and watercolours – a mixture of the macabre and erotic, skeletons and sex. Ends Apr 28.

ITALY

Syracuse (Sicily) Palazzo Bellomo: An important collection of paintings by Caravaggio: Focal point is the huge painting The Burial of Santa Lucia – patron saint of Syracuse – painted in 1608, when Caravaggio returned to Sicily after 14 years in Rome. Until Easter.

NETHERLANDS

Amsterdam. Stedelijk Museum. La Grande Parade (named after the painting by Léger) is a feast of highlights in international painting after 1940. Forty artists are represented with 250 works loaned from all over the world. The show is designed as an encounter between the late creations of patriarchs like Matisse, Picasso and Braque and works by the outstanding representatives of subsequent generations (De Kooning, Bacon, Pollock, Giacometti, Rothko and many others). Theory, for once, takes second place, leaving the art to speak for itself. On the ground floor is an impressive gallery of photo portraits of the artists exhibited. Ends April 15.

VIENNA

Adolf Von Menzel: A rare chance to see drawings and watercolours by the 19th century Prussian master. This selection from the Berlin City Museum shows Menzel's work in all its eclectic vitality. Idealised historicism gives way to a vibrant naturalism as images of fallen soldiers, French prisoners of war or of an officer guzzling at a court ball, record aspects of the Empire of Frederick the Great. But it is the spare charcoal sketches of working men and peasant houses that have greater impact than the shadowy emperor and neat theatre parties. Albertina. Ends Apr 8.

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871
Telephone: 01-248 8000
Thursday March 28 1985

New realism in Hungary

HUNGARY this week re-joined the rest of the world. Its leaders told their communist party congress that it was illusory to think that Hungary and other communist countries, simply because they were socialists, were immune from such capitalist ills as economic slumps and inflation and other political problems like "nationalism and anti-semitism." In other words, Hungarian leaders now admit, 40 years into the quest for the Communist Utopia, that they—and their allies—have basic problems just like the rest of us in the non-communist world.

At any previous point in the past four decades, such an outburst of candour from an East European country could be guaranteed both to be isolated and to produce a blast of Soviet anger. But this latest display of frankness from Budapest coincides with, and indeed is partly prompted by, a significant official lowering of expectations in the Soviet Union itself, now under new and more realistic management with Mr Mikhail Gorbachev.

Ordinary citizens in the East, of course, know without having to be told, what their problems are. But what increases their cynicism is the narrowness and abstruseness of public political debate in their one-party states. It has tended to be conched in blanket appeals to Marxist-Leninist principles, or in terms of endless fine-tuning of one, five, 15 year plans.

Sensitive nerve

For lack of an opposition, statements that living standards are always on the rise go unchallenged. Yet this week we have seen Hungary's "candid communists" puncture this shibboleth, with their top leader, Mr Janos Kadar, conceding that real wages went down in 1980-84 and that the country nearly had to default on its debts back in 1982.

The main evangelist of this new realism at the Budapest congress, Mr Ferenc Havasi, the Politburo member responsible for the economy, went much further in condemning what he called "generally well-intentioned revolutionary illusions." These illusions ranged from beliefs that consumer demand could go long unsatisfied and that prices could stay detached from value and cost, to the hope that nationalism and anti-semitism would disappear as the peoples of the Soviet bloc united on a common class basis.

This last admission touches an acutely sensitive nerve. Hungarians are fed up with the pretence that "socialist solidarity" with Romania has alleviated the lot of the 2m ethnic Hungarians living in that country. But there are many similar nationality problems elsewhere in the region, most particularly in the Soviet Union where anti-semitism is also rampant. Soviet leaders will not welcome Mr Havasi's candour on that score.

But the rest of Mr Havasi's remarks will find an echo in Moscow. Indeed Hungarian officials say they *are* an echo of the work that started under Mr Chernenko and Mr Gorbachev (while he was number two with the Politburo ideology portfolio) to lower expectations raised far too high in the past. The claim by Khrushchev in 1961 that by 1980 the Soviet standard of living would overtake that of the richest Western country, the U.S., has become a sick joke, and the Kremlin knows it as well as anyone. The Soviet communist party congress expected this autumn is to get a new timetable, stating that the Soviet people have a long economic haul and radical changes in front of them before they reach perfected socialism.

So, Utopia has not been cancelled, but postponed for a further lengthy period. Obviously candour comes easiest to Hungary, where the economy is more buoyant.

Everywhere in the communist world, except Romania and isolated Albania, there is now agreement on the need for some management decentralisation, some real role for prices to allocate resources, some link between pay and output.

The problem is one of degree. It is a problem that faces Soviet bloc countries collectively as well as individually. They all do a minimum of 40 to 50 per cent of their trade inside Comecon and cannot therefore afford, economically as well as ideologically, to let their systems diverge too far from each other. This is why what Mr Gorbachev decides to do with the largest economy in the bloc is so important to the rest.

Hot air about competition

THESE days the Man on the Clapham Omnibus must be presumed to take an interest in British aviation policy. He may have found recent events baffling. On the one hand, Mr Michael Spicer, Aviation Minister, has been proclaiming the advantages of an open skies policy. "Never before," he said yesterday, commenting on the new agreement with Luxembourg, "have two governments agreed to leave it so completely to their airlines to use their own individual commercial judgments as to how they may best meet and stimulate the demands of the customer."

On the other hand, our Man jolting to work on the Omnibus will have noticed full page advertisements from Singapore Airlines (SIA) in his morning newspapers wondering what has happened to the free trade instincts of Sir Stamford Raffles, the British founder of the island city. Why, ask the adverts featuring the photogenic Miss Goh Mui Jong, cannot the Singapore girls (plus jumbos and passengers) land at Manchester as well as Heathrow airport? Singapore wants to augment its daily flight to Heathrow by landing thrice weekly at Manchester and is more than willing to compete with British Airways (BA) on the proposed route.

Liberalisation

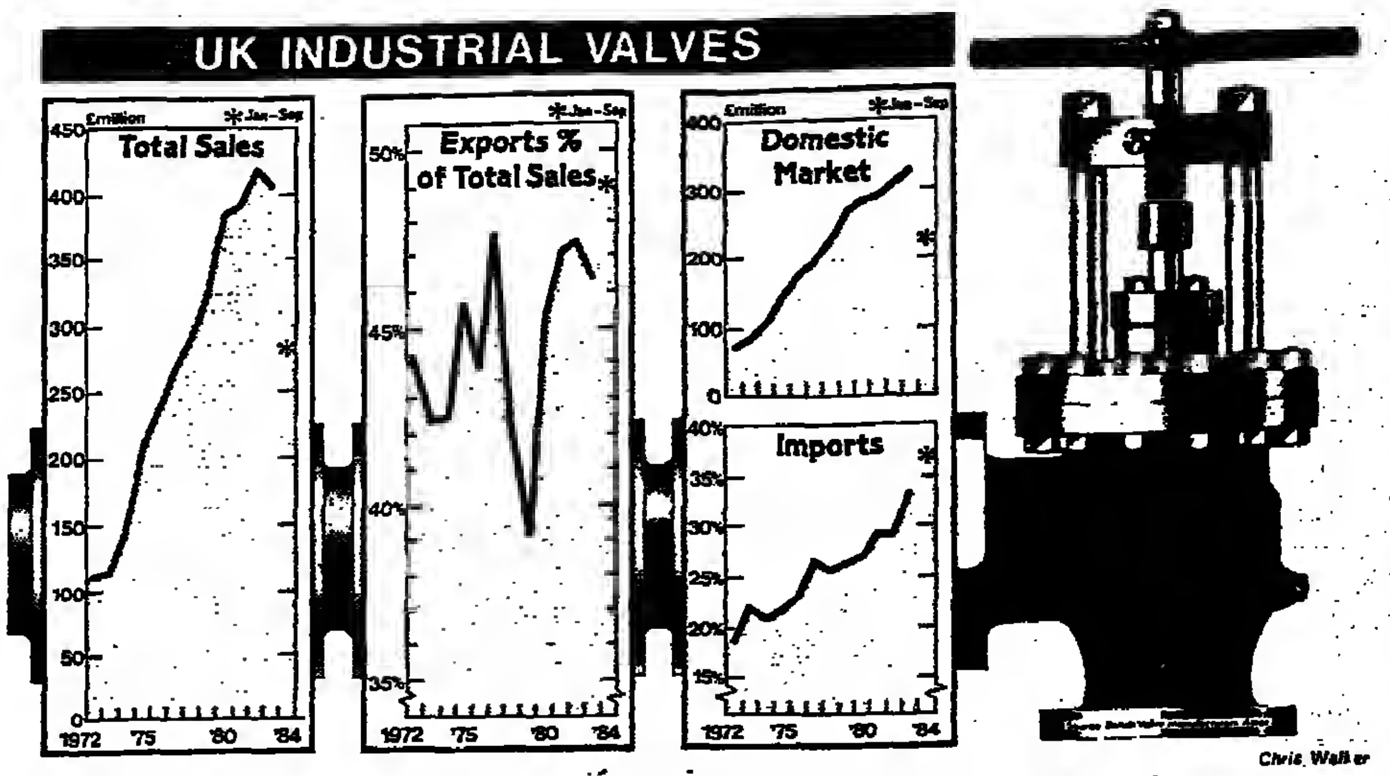
Mr Spicer's Luxembourg agreement, which follows more liberal pacts with the Netherlands and West Germany, will be welcomed by all who seek lower air fares and better services for customers. It is fully consistent with last October's air transport White Paper which promised "to promote competition in all markets: internationally by working to reduce restrictions on services." But why is the Government saying that SIA can fly to Manchester only if it gives up flights to Heathrow? Why in the interests of greater competition is Mr Spicer not welcoming the Singapore girls and living up to his rhetoric?

The cynical answer is that, as the failure to break up BA before its privatisation last year so amply demonstrated, the rhetoric about competition is mainly hot air. The Government supports competition if and only if it is likely to profit the UK. Liberalisation is sought in Europe because here BA is a big fish and is likely to prosper in a free-for-all. Outside Europe it is a different story: airlines such as SIA (and the big American carriers) represent potent competition. On the London-Singapore route, SIA is carrying roughly three times as many passengers as BA even though it only started in 1976.

Outside Europe, the argument goes, it is best to stick to the letter of the restrictive bilateral agreements British officials have so carefully negotiated. The dim view Whitehall takes of Singapore's propaganda then makes some sense: Singapore (and other Far Eastern airlines) *want increased flight frequencies* to the UK for one reason only—to give them more scope to poach lucrative UK-Australia traffic. SIA's UK flights are about 77 per cent full but only about half the passengers are thought to be UK-Singapore traffic; the rest is UK-Australia traffic and technically a contravention of the air services agreement.

The logic as British officials see it is straightforward: Singapore is already breaking the rules of the game—SIA is using only about a third of its present capacity to carry legitimate UK-Singapore traffic. To concede extra capacity at Manchester would be the height of folly and would merely serve to give Singapore a bigger slice of BA's London-Sydney turnover, without the prospect of any quid pro quo for Britain.

This reasoning, however unattractive to advocates of wider consumer choice, cannot be dismissed. The argument is that while limited competition may be possible on *some short-haul* routes in Europe, so many national interests are involved on the longer routes that some *form of governmental bargaining* is inevitable. There may be no fundamental economic justification for refusing Singapore access to an under-utilised airport like Manchester but to do so would be needlessly masochistic and do nothing to further the cause of competition. The most serious obstacle remains the willingness of most governments endlessly to bail out uneconomic flag airlines. Careful multilateral bargaining is the way to create a more liberal world air transport industry, not unilateral gestures however well-intentioned.



Chris Walker

An industry that is fighting back

By Duncan Campbell-Smith

QUIET flows the River Don in Rotherham — and quieter still are many of the once illustrious factories which line its grimy banks through what has long ceased to be the Workshop of the World.

The empty buildings and abandoned smokestacks are as evident in South and West Yorkshire as anywhere else in Britain's blighted industrial heartland. In their shadow stand the survivors of the recession: traditional engineering businesses, now faced with turning survival into real recovery.

No engineering business is more traditional in the hills around Rotherham and Huddersfield than the great Victorian legacy of valve manufacturing. The inventor of the household tap valve, Richard Chrimes, built his factory beside the Rotherham Don in the 1840s and Guest and Chrimes is still there. But its sector of the economy has been decimated.

Industrial valves are needed wherever gases or liquids have to be moved from one end of a pipe to the other. Most are made of iron, forged or cast steel or bronze. Their shapes fill catalogues of jargon, full of gates and globes, plugs and balls, butterflies and parallel slides. Their sizes range commonly from a 1 in bore, opened and closed at the flick of a wrist, to the great 24 in valves shipped to Alaska and Arabia to control the flow along crude oil pipelines.

Across the whole range, British firms ruled the world market for a century or more. Even in the 20 years up to the mid-1970s, when the UK had lost its commanding dominance, the industry was still highly lucrative for most of the well-known names.

But since the mid-1970s, imports to the domestic market

'British products are still over-engineered'

have climbed from 21 to 37 per cent of total sales, a six-fold jump in value terms. They have been almost the only statistic on the rise. Employment in the sector has dropped from 25,000 to 12,000 in 10 years. Last year, 21 per cent fewer industrial valves were made in Britain than in 1980. In real terms, sales since 1981 have collapsed.

A striking contrast, however, is already presented by the various candidates for recovery. On the one hand are those, generally smaller and often family-run, firms struggling desperately amid a litany of recriminations from the boardroom about import dumping, foreign subsidies, Third World cheap labour and export market barriers.

On the other hand are those—perhaps exemplified by Serck Audco (see below) — which appear to be regaining the initiative in their marketplace by rising to three broad challenges. First, the rationalisation of plant and equipment—which has been widespread—has had to be accompanied by a fresh regard for market research and product development. Second, far more muscle has been needed in marketing. And third, export success has had to be recognised as the effective prerequisite of future growth.

Neither market research nor product development has had much claim to distinction in the recent past, least of all in the North Sea. "UK valve makers are only interested in producing a valve once they can see a definite requirement," says Mr Alan Foulger, materials co-ordinator for Britoil. "That's not very encouraging for a customer like us working to get into new technology areas."

The development of existing products has historically been the main source of inspiration for progress in UK engineering; but too many valve-makers seem to have been resting on their laurels, content with a reputation for high quality.

"*British products are still over-engineered*," says Mr Michael Scott, marketing manager for Bestobell which is 25 per cent owned by BTR and has just embarked on a revitalisation of its own valve operations. He says that the pre-occupation with quality has helped allow cheap Italian imports to carve up a whole segment of the home market. "UK companies can't see there's a need for the low cost product as well. Marketing gets confused with questions of image. The engineers fall in love with their own technical excellence."

Some companies like Durance, the Lancashire subsidiary of the U.S. group Dresser Industries, have worked hard to meet valve specifications more cost effectively: "We have been able to reduce the cost of our high pressure products, on average, by 20-25 per cent," says Mr Don Saltmarshe, Durance's managing director. And others, including Bestobell, have concentrated on higher value-added products and on development work which brings in the customer on a regular basis.

Even with unit costs brutally reduced and every machine humming to perfection, UK valve manufacturers have still had to overhaul uncompetitive marketing.

"The Italians can see a pound through a brick wall," as one leading UK competitor put it. *Their aggressive lead on pricing* in the UK market—emulated by other Continental producers as well as the Japanese and other Far Eastern competitors—has forced a finer appreciation of some marketing home truths.

For example, with importers ready and able to cut prices in order to buy market share, the UK manufacturer has undoubtedly been judged more *harshly* than *ever by* the reliability of his delivery times—occasionally with unhappy results for domestic sales. Nor has every UK competitor been quick to appreciate the importance of pitching hard against the importer by offering specifications tailor-made for the customer as and when required.

Above all, perhaps, the more successful domestic manufacturers have at last overcome a lingering disdain among many for the independent distributor, whose presence in the UK market has been so successfully exploited by the importers themselves.

"The producer should concentrate on what he's best at and leave it to the stockist to go through the nitty-gritty of answering endless enquiries and selling a few valves here and a few valves there," says Mr David Kiggell, managing director of Brooks and Walker, one of the country's four biggest valve distributors. Virtually all the leading manufacturers now do so—and the industry's association is even thinking of offering membership to the distributors.

The best marketing in the world, though, will do nothing to arrest the volume decline of the UK home market. The drastic cuts in spending by the water authorities, the tailing off of the UK power station programme, the lack of new oil refinery projects and constraints on future house-building all dictate that the third challenge facing the valve industry must be to capture a larger share of the world's export markets—though these boast little or no real growth themselves.

"The good UK companies like IMI and BTR *have* regained the initiative at home," says Mr Alan Coates, of brokers Quilter Goodison. "But they still have to turn themselves into big exporters. The pound's decline against the dollar is heaven-sent in that respect."

Most of the reviving companies need no reminding. Triangle Valves of Wigan, owned by Evered and profitable again after five years of losses, has just had its best month for orders and is pushing ahead fast

Now or never opportunity for success

with U.S. export plans. Hopkinsons, traditionally an industry leader from its hillside 20-acre factory site in Huddersfield, set up a U.S. marketing office last July. This company, too, would like to see expansion in the U.S. crown a remarkable turnaround since 1981. "If we can't achieve success with the dollar/pound rate where it is," says Mr Phil Thomas, Hopkinsons' finance director, "we never will."

'TURNOVER IS VANITY, PROFIT IS SANITY'

OLD SCHOOLFRIENDS pop up in the oddest places. Mr Harry Wood had already been with Serck Audco for nearly 30 years in 1981, when the Staffordshire valve manufacturer and its sister companies were acquired by the conglomerate BTR. He got a shock to find his new chairman was the same Owen Green he shared a classroom with at Stockton-on-Tees Grammar School years ago. Appointed managing director, Mr Wood found that was not the only surprise in store from BTR.

Quite simply, the new parent limited its interference with his company's Newport plant to an absolute minimum. While the old Serck group directors were removed in pretty short order, the *operating management of* Serck Audco was given its head to run one of the biggest valve factories in the country, which last year achieved an annual turnover of £20m.

The outcome had been a broad vindication of the hopes expressed for Serck's future by the 1982 Monopolies Report into BTR's purchase. A workforce of 400 produces more in volume terms than 700 in 1981. Productivity has risen by about 18 per cent and marketing for its main product — cast steel "plug" valves — has been dramatically improved.

Mr Wood and his colleagues identify two principal BTR contributions to the Newport factory's success. "*If we want funds for investment* — as we have, for new machine tools — there will be a rigorous review; but if the case is justified, the money will be there." Serck Audco has been able to spend nearly £5m on its plant since 1982.

And second, the entire operation is now imbued with a heady regard for profit above all else. Fastidious planning and profit projections — the hallmark everywhere of the BTR group — are treated by Serck Audco's management with a degree of respect, even awe, which suggests the price for operating autonomy is only too well understood. But the rewards, too, are well appreciated.

Pursuing them, the Newport company has inevitably assimilated the BTR way of doing things. "Turnover is vanity, profit is sanity," says its managers, quoting Sir Owen Green with unfeigned enthusiasm. More specifically, the BTR approach is reflected in:

● Production efficiencies — four new machining centres and four new computer-numerically controlled lathes have helped cut total delivery time on, for example, a large 24 inch steel valve from 24 to 14 weeks.

● Product specialisation — emphasis on innovatory, lubricated "plug" valves has typified the search for higher value added products to keep Serck Audco a step ahead of the market trend, which is pulling many valves into the category of commodities.

● Export marketing — the U.S. distribution system of another valve company in the BTR group, Worcester Controls, is being used to plan a U.S. sales drive which Serck Audco hopes will build quickly on a current contract to supply the Arco oil company in Alaska.

● Purchasing policy — better quality as well as competitive prices have been sought on all raw materials, most particularly steel castings. The Newport factory will buy at home or abroad to get the best terms, though the same criteria allows it to buy over half its castings from Wilsons Foundry in Co Durham, another BTR subsidiary.

Seeking in such ways to become a lower cost producer than its international competitors, Serck Audco's record illustrates many of the more encouraging trends in the valve engineering sector. Its revitalisation of a medium technology business within a mature industry might even carry a message for the broader UK economy — though the nub of the matter probably remains the shift in management attitudes. Or as one of BTR's senior strategists gently put it: "One of the hardest problems is having to turn up the wick under the boiler."

Men and Matters

Diplomatic channels

The road to cushy U.S. ambassadorship for presidential favourites and high-rolling political fund-raisers looks like getting a little harder—much to the delight of the State Department's long-suffering career diplomats.

Senator Charles Mathias, a moderate Maryland Republican, has persuaded some of his colleagues on the Senate Foreign Relations Committee that, in future, ambassadorial nominees should submit to a new screening procedure to check whether they are actually qualified for the job. The Committee plays a key role in processing the nominations for Senate confirmation.

The idea, says Mathias, is to send candidates to the newly-formed American Academy of Diplomacy for interviews and "valuation." The 65-member Academy was set up in the autumn by a group of veteran diplomatic luminaries "to encourage high standards of performance by American diplomats."

Founding members include child film star turned ambassador, Shirley Temple Black, former Saigon envoy Ellsworth Bunker, President Carter's Middle East negotiator, Sol Linowitz, and General Andrew Goodpaster, former supreme allied commander in Europe and confidant of President Eisenhower.

Mathias hopes that the screening will lead to the appointment of more career diplomats to the top jobs, and fewer political nominees, thus improving State Department morale and recruitment.

Ambassadors, he believes, should speak for the whole country and refrain from personal politicking, like the 30 or so Reaganite ambassadors who publicly pledged their support to right-wing Republican Senator Jesse Helms in his bitter re-election battle in North Carolina last November.

Also in Mathias's sights are controversial figures like the current U.S. ambassador to Paris, Evan Galbraith, a former investment banker, who last month outraged the State Department by accusing career diplomats of gutless liberalism.

With 45 of the 130 ambassadorial posts now occupied by "non-career" appointees, the career diplomats are anxious to start getting their own back.

Street wise

Cyril Spencer and Ashley Meyer are delighted to be back on the High Street.

Spencer, former executive chairman of Burton group, who left after a bitter power struggle with Ralph Halpern, tried to buy the UDS stores group two years ago in a bid backed by Gerald Ronson's Heron International, only to lose out to the mighty Hanson Trust.

This time around, he has been luckier, heading the consortium making an agreed bid for that perpetual takeover candidate, Waring and Gillow.

Spencer, aged 60, says he is looking forward eagerly to running "a great British business with a marvellous name."

While Spencer is non-executive chairman, Meyer, aged 37, comes in as chief executive. Until last May, Meyer was managing director of the furniture side of Debenhams group. He left after the company struck a deal with Phil Harris of Harris Queensway. "Absolutely delighted," Meyer expects to start work in a few weeks' time. Waring and Gillow has a great name, he says, but the company needs to widen its appeal to customers.

Maltese cross

Central bankers may have to be tough at times, but surely those running the institution in Malta are going too far. They are using their powers to stop 14 local boy scouts going to Italy.

Since a countertrade row flared between Malta and Italy more than a year ago, Maltese have been virtually banned from travelling to that country. State-controlled commercial banks in Malta enforce the ban by refusing to change local currency for Italian lira without special authority from the central bank.

But when the Vatican asked recently for a *Maltese boy* scouts' contingent to travel to Rome for celebrations marking International Youth Year, few imagined the central bank would stand in the way.

It did—refusing the scouts enough Italian currency to join the Pope and scouts from another 130 countries for the celebrations this weekend.

The move may be cocking a snook at the Vatican. Talks between Premier Carmelo Mifsud Bonnici and a Vatican envoy last week about the future of Roman Catholic church colleges on the island are said to have made little headway.

On the other hand, the central bank may be trying to save on its decision to switch some 90 per cent of its M£500m reserves into dollars.

To the point

The City has grown wary of the American male voice choir trying to wheedle investment in the host of U.S. biotechnology firms. But a refined female voice may kindle new interest.

British-born Alison Taunton-Rigby, a loquacious lady with a very bright idea for helping diabetics, flew into London from Boston this week in search of a partner to support her new venture. She is a scientist with considerable first-hand experience of biotech start-ups. She is on her third in 15 years, having left Biogen last year to help start Vivotech, a joint venture between Connaught Laboratories, Canada's biggest drugs company, and Damon Biotech, near Boston.

Vivotech's mission is to bring to the market an idea that could free most diabetics from the tyranny of the needle. Instead of purifying insulin for the diabetic to inject, it is developing a package of living cells which makes insulin on demand, as the patient needs it.

One of her packages of living cells could last for a year, Taunton-Rigby believes. She hopes to be ready to try it on patients within a couple of years.

It is the kind of idea that will make a major insulin supplier like Eli Lilly wince. But it may lure a rival with international outlets—

Striking hard

Rumour has been spreading through strike-bound Copenhagen that the Carlsberg and Tuborg breweries, where the strike of private sector workers is not due to start until next week, have rationed supplies of beer because of hoarding by thirsty Danes.

Meticulous investigation by the FT man reveals that the rationing has, in fact, been imposed by the brewery workers' union which has ordered drivers of delivery trucks not to handle more than 200 cases a day.

The brewery workers' go-slow delivery is decidedly the most powerful single action in the dispute so far likely to inflame opinion against the non-Socialist minority government.

Chief shop steward at United Breweries, Holger Foss, has already held a kangaroo court at Carlsberg, fining drivers who had exceeded the 200-case limit £75 each.

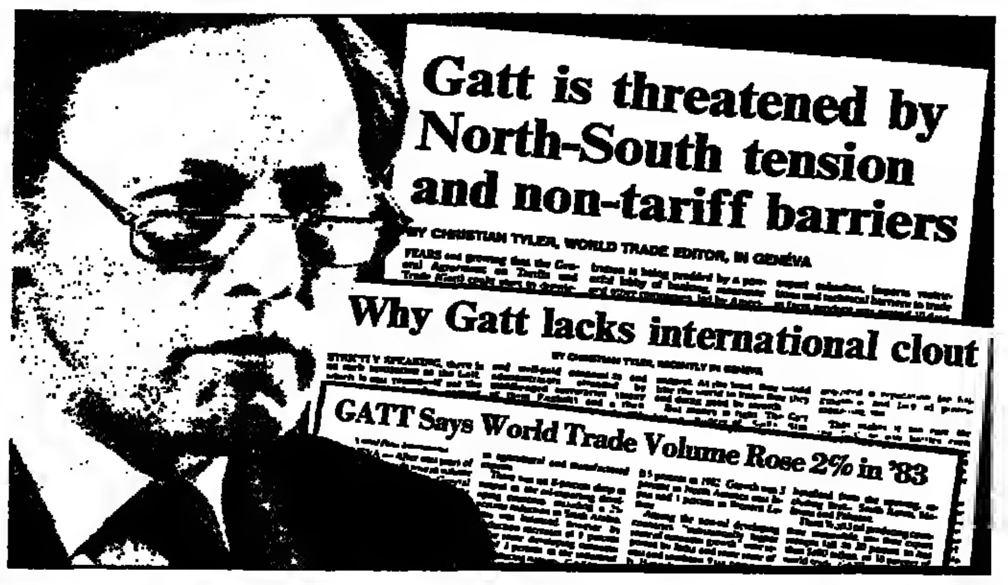
The view from the breweries is that the strike has taken a serious turn. So long as supplies of good Danish Pilsner keep coming, no Dane is ever too unhappy about the state of his nation. But when the beer runs out . . . Really, it is too awful for a Dane to contemplate.

Observer

World trade

Putting the Gatt back together again

By Martin Wolf



Arthur Dunkel, Gatt's director-general

IN A discussion last year, Mr Norman Tebbit, Secretary of State for Trade and Industry, pointed to the value of the General Agreement on Tariffs and Trade (Gatt) as a forum for discussions about trade. The word was presumably chosen deliberately. It is certainly realistic. The Gatt is a forum and little more, but that is not what it was intended to be.

The Gatt was a contractual *agreement* among sovereign states designed to ensure that flourishing trade would contribute to the well-being of their citizens and to the reduction in international conflicts. It embodied a number of basic norms, aimed at the orderly evolution of a world economy run on market principles. Adherence to these norms, it was hoped, would curb the freedom of action of individual states and oblige them to behave, in their trade relations in the interests of all, including their own citizens. The emphasis on these norms of international good behaviour was the fruit of that chaotic period of *laissez-faire* for governments, the 1930s.

The purpose of the agreed norms was to allow the smooth operation of an international market economy by giving businesses a predictable environment within which to make their plans.

Accordingly, trade policy measures had to be stable over time; they had to be transparent; and they had to enforce, rather than thwart, adjustment to change. The permitted instrument of protection was to be the tariff, which gives no more than a defined margin of protection, while, in other respects, not frustrating market forces. Furthermore, the tariff was to be "bound," that is fixed, in order to provide a stable policy environment. Still more fundamental was the principle of non-discrimination, which was enshrined in the Gatt's first article.

The Gatt was not intended to achieve free trade, although the aim was to liberalise trade. The favoured technique was reciprocal bargaining over tariffs. Reciprocity, sometimes in the guise of retaliation and compensation, plays a central role in the Gatt not only as a technique for negotiating liberalisation but also as an instrument for enforcing agreements. Despite some subsequent encrustations, the ambitious and comprehensive Agreement has retained its original shape.

But the world has not. Nowadays a high proportion of international trade is conducted on a discriminatory basis. Furthermore, whenever a new "crisis" arises, it tends to be settled by a discriminatory arrangement, euphemistically called "voluntary" or "orderly," negotiated outside the Gatt framework. Equally, the tariff has become an increasingly unimportant instrument of protection.

The fundamental norms of the Gatt exercise little force over the practice of trade policy. The question is whether, if the Gatt does not exist, it is necessary to reinvent it. Alternatively, should one propose, with many commentators and policy-makers, a more realistic world in which permanent negotiation replaces rules?

Why has the erosion happened and does it matter? Three fundamental aspects of trade policy since World War II need to be stressed.

First, there has never been general acceptance of the principle of non-discrimination.

Permitted instrument of protection was to be the tariff

Devices of discriminatory protection have become increasingly common and since the late 1960s have reversed the previous trend towards liberalisation. Once discrimination becomes a norm, further and progressive increases in protection are virtually inevitable, for the system tends to lose its two effective sanctions, namely, the visibility of protection and retaliation by the major powers against each other.

Secondly, protection against subsidisation abroad is necessary, especially in the U.S., if liberal trade is to be politically acceptable. Given the prevalence of subsidisation, however, increases in protection via countervailing duties are virtually inevitable. Because of international conflicts over the use of such duties, the U.S. has agreed that such actions would be taken only after proof of "material injury," the aim being to reduce the frequency of countervailing action.

In addition, in 1979 a provision was introduced into American law permitting the negotiation of voluntary export restraints as a remedy for subsidy complaints. That provision is now a powerful engine for the spread of global cartel arrangements, since foreign governments prefer an export restraint agreement to the uncertainties inherent in a full hearing of a countervailing duty case.

Finally, there is the resistance to changes in comparative advantage *per se*. It is accepted, for example, that unsubsidised competition among essentially similar countries is legitimate, but competition with those who enjoy cheaper labour or cheaper land is not. But a transparent system of stable protection cannot be combined with a determination to hold on to certain "basic" industries. A commitment to particular economic structures is simply incompatible with the market-based norms of the Gatt.

Why have there been these failures? Ultimately, a constitutional arrangement, like the Gatt, must educate. Little but a widespread understanding of its virtues can sustain it.

Yet here is a paradox. The obvious direct means of enforcement, retaliation, is an aspect of reciprocity, but the emphasis on reciprocity misinforms and miseducates everyone about the benefits of liberal trade. More precisely, what everybody has been taught under the Gatt to see as a cost—the increase in imports following liberalisation—is really its benefit. With this topsy-turvy understanding there can be little surprise that "fair" trade is the popular slogan, ruling out as "unfair" the differences among countries that are the basis for trade.

One does not need to go far to see the poisonous effect of the mistaken emphasis on reciprocity. In discussions of policy towards the services based in the City of London, it is understood that the protectionism of other countries is not so much a problem as an opportunity. In Hong Kong the same point is understood of manufactures. In Britain, however, officials understand the merits of unilateral liberalism with regard to services but fail to understand it of industry, largely because of almost 40 years of miseducation by "reciprocity."

In any case, reciprocal bargaining has achieved all it ever will. The present agenda of the Gatt consists of those problems that reciprocity has proved unable to reach, largely because the differences in the relative weight of the perceived losses and gains on the two "sides" of the negotiation are believed to be too large. In addition, there are new issues in which reciprocity seems equally unlikely to be helpful, such as services. So the mileage to be got from the traditional horse trading is likely to be limited.

The current Gatt agenda reads like an enumeration of neuralgic points in the trading system. In other words, it is like the symptoms a patient might explain to his doctor, rather than the diagnosis of an illness, still less the prescription for its cure. There is no underlying conception of how the drift is to be stopped. A negotiation on these points amounts to little more than rearranging deckchairs on the Titanic.

The drift is dangerous. What sort of trading system will there be if present trends continue for another decade or so? The best that can be hoped for is a more-or-less comprehensive network of continually renegotiated international cartel arrangements; the worst would be a complete breakdown in international co-operation. Unfortunately, even the best is a recipe for economic failure and, in due course, serious political conflict.

Is there then an alternative to the basic norms of the Gatt, especially non-discrimination? One point must be stressed. The governments of almost 100 countries could never reach and

Reciprocal bargaining has achieved all it ever will

sustain a general agreement on policies involving discrimination, since, for every country favoured, another would be aggrieved, with power and political convenience securing whatever accommodation might be possible.

These considerations lead us back to the original concept of the Gatt, which was more about how trade policy should be formed and what instruments should be used than about the level of protection. What is needed is to restore the central norms of the system, avoiding some of the initial mistakes. This would involve a careful reconsideration of the system as a whole.

Reciprocity, although an indispensable element, plays too great a role. Discipline must be enforced in other ways. At the same time, it is necessary to structure the political debate so that citizens begin to see the domestic interest in liberal trade. Most fundamentally, it is essential to recognise that international order can only be born out of domestic order and that the requirements of sensible domestic policy will, in turn, contribute to international order. When the two are seen as being in conflict, international order is ultimately bound to suffer.

The basic Gatt norms, especially non-discrimination, should be put into a treaty among the major trading powers, the implication being that in the U.S. and the European Community, in particular, they could be enforced in the courts against governments. At the same time, it needs to be recognised that levels of protection are ultimately an issue for domestic political discussion, especially since a given structure of protection may have radically different consequences for output and trade in different countries.

The international interest is in stabilising protection through binding agreements. Greater sovereign discretion on levels of protection must, however, be disciplined by appropriate procedures. Countries should be required to introduce explicit discussion and evaluation of their costs and consequences before introducing new measures of protection.

The re-establishment of basic norms and agreement on common processes with a clear basis in the economics of trade are the priorities for the next Gatt Round of negotiations. Otherwise, the Gatt Titanic will end on the iceberg that awaits it.

The author is director of studies at the Trade Policy Research Centre.

Samuel Brittan will resume his column next week.

Lombard

Imitating the Japanese

By Guy de Jonquieres

THE PAST few years have seen a remarkable growth of a new type of Japanese industrial export—ideas. The former "nation of imitators" is now being imitated in turn, as western competitors borrow freely techniques such as quality circles and just-in-time production.

One of the most popular recent imports has been the principle of industrial collaboration in advanced electronics and computer research. In Western Europe, companies are pooling their resources in programmes such as Britain's Alvey scheme and the EEC's Esprit, while the U.S. has amended its anti-trust rules to permit the formation of a corporate research consortium, the Microelectronics and Computer Technology Corporation.

These initiatives are at least partly inspired by Japanese successes such as the VLSI programme launched in the mid-1970s. This government-led effort endowed the participating companies with the technical expertise which has since enabled them to capture a sizeable share of the world microchip market.

More recently, Japan has again stunned the west with its Fifth Generation project, an ambitious long-term probe into computer intelligence. Its announcement three years ago helped convince European governments of the need for matching efforts such as Alvey and Esprit.

The fashionable western orthodoxy today is that such vast resources are required for basic research into frontier electronic technologies that closer collaboration between companies is essential to prevent wasteful duplication and fragmentation of effort.

Intriguingly, however, just as the west starts to put this approach into practice, the Japanese themselves are setting off on a different tack. Many of their electronics companies have concluded that joint programmes are appropriate mainly for catching up with what the rest of the world is already doing. When it comes to pioneering new discoveries, a diversity of approach is considered more effective.

The reasoning is that fundamental innovation is a hit-and-miss process, for which a shotgun is better suited than a rifle. According to Dr Michiyuki Uenohara, research director of NEC, one of Japan's largest electronics companies: "If we concentrate all our effort in one organisation, we tend to eliminate valuable resources."

Companies still seek at an early stage to forge a consensus on the priority areas for advanced research. "But once we've agreed on the broad approach, we compete furiously," says Dr Uenohara.

Partly for these reasons, few Japanese companies seem to expect the government-led Fifth Generation programme to make any really dramatic breakthroughs. Many are placing much heavier emphasis on in-house basic research and are sharply stepping up investment in their own laboratories.

It is to soon to say whether Japan's preference for individualism will yield better results than the west's attempts to club together.

Esprit's supporters have a second line of defence. They argue that the programme is also a way to remove barriers which have prevented European electronics companies from working together in the past. The hope is that joint efforts in the laboratory may lead to further constructive cooperation downstream.

It is worth recalling, though, that many of the factors which have inhibited intra-EEC industrial collaboration have also stifled real competition. Protectionist policies favouring "national champions" have fragmented Europe, while encouraging many larger electronics companies to cling to protected home markets and eschew entrepreneurial risk-taking for "safe" public sector contracts in defence, telecommunications and infrastructure projects.

If programmes such as Esprit and Alvey are really to strengthen Europe's electronics industry, companies may need some further incentive to apply the technology they produce more aggresively in commercial products.

Dr Koji Kobayashi, NEC's chairman, thinks European industry is already neglecting its technological birthright. "British universities do good research, but your companies don't seem to want to use it," he says. "I am using it, however." Perhaps a little more 'furious competition' in Europe would encourage its companies to seize more of the opportunities spotted by their Japanese rivals.

Letters to the Editor

Conflicts and Chinese walls

From Mr J. W. Robertson

Sir,—Whilst fully acknowledging the need for adequate investor protection, particularly in the new environment of the UK securities industry, I am concerned about the paranoia surrounding conflicts of interest and Chinese walls. There is no doubt that, by adding a market making function to the distribution, fund management (particularly discretionary) and corporate finance roles of an integrated multi-function organisation, new and complex conflicts of interest will be created. These will have to be dealt with in a responsible manner so that all investors may rest assured that they will receive fair, honest and correct treatment. However, to insist that these functions are separated by totally impenetrable Chinese walls, as many people are suggesting, so that there is absolutely no communication or contact allowed between them, is going too far.

There is nothing new in the existence of conflicts of interest and the City has become accustomed to handling them to the satisfaction of all but the most cynical. As has always been the case, deviation from best practice jeopardises client relationships; a risk deemed, quite rightly, just not worth taking. The fact that there will be more potential conflicts in future means quite simply that all practitioners will have to devise appropriate disciplines to ensure that clients will not be disadvantaged.

It is important to remember that the Government, in countenancing the abandonment of single capacity, accepts the value of multi-function organisations; there will be no point in forming them unless the economic benefits they bring, such as greater liquidity and a wider range of services under one roof, can be utilised.

It is true that investors will lose the protection currently afforded by the rigid separation of capacity in the Stock Exchange between agent and principal. This could lead to abuses if proper disciplines are not introduced. Barclays de Zoete Wedd is firmly committed to the establishment of a Compliance Department in order to demonstrate to clients that their paramount interest will be properly safeguarded.

I have no doubt that other organisations are in the process of doing the same not only for the reason stated above but also because it will be a necessary commercial prerequisite to attract and retain business. If we are not in a position to persuade potential clients that their requirements are being properly protected then we will not get any of their order flow and quite deservedly so.

A reasonable degree of disclosure is an important tool towards this objective. A last trade tape will be an enormous help in gaining investor confidence as well as being a stimulator of interest and activity. However, some of the recent proposals on disclosure, notably in the Government's white paper, are going overboard and will only serve to stifle the very freedom and strength which the City revolution is seeking to achieve. We are all anxious to maintain and enhance London's position as a leading international capital market.

J. W. Robertson.
Wedd Durlacher
Mordaunt & Co.
Astral House, Basinghall Ave, London EC2.

Redefining market forces

From Mr P. H. Frankel

Sir,—In the article "Time to redefine market forces" published in your issue of March 25 one important sentence was omitted for reasons of space. The relevant passage should have read: "Thirdly, it should be possible to devise a new type of contract between the main suppliers and offtakers which would cover a substantial part of the oil flow. To provide flexibility within an agreed range of volume and of price, such contracts would involve a floor and a ceiling both of price and volume, preferably not too far apart from each other, within which there would be escalation or de-escalation according to shorter-term criteria."

This last sentence is so relevant because it shows that we are thinking of individual contracts between oil operators which should open the way to a more consistent price curve. The role of governments, however important, should be confined to assuring that such contracts are being maintained.

P. H. Frankel,
17-19, Barter Street, London, WC1.

Graduates in engineering

From Mr W. W. Sweet

Sir,—I am sure the Government is right to try to increase the number of people graduating in engineering, but I doubt whether the provision of extra places for students will be enough to achieve that aim. The policy runs the risk of repeating the mistakes of the 1960s, when the number of new places provided in universities and polytechnics outstripped the number of students qualified and willing to fill them. The result was half-empty engineering departments in the early 1970s.

Many students with good A-levels in mathematics and physics are admitted to degree courses in management and business studies. If you ask them why they are moving away from science, they commonly reply that it is boring. Of course these students know very little about engineering but are judging by what they do know, which is mainly the A-level mathematics and physics courses.

Press comment in recent years on the shortage of engineers has stimulated more students to study sciences at A-level. I believe that some of these have been discouraged by their schools because they lacked natural aptitude in these subjects. If the teaching profession in general believes that only those with natural aptitude can study any subject, not only is this an admission of defeat (countries such as Germany seem able to teach a broad range of subjects to age 18) but it will prevent any increase in the number of technically skilled people.

I suggest that an essential prerequisite for increasing the number of engineering students in higher and further education is a radical investigation of the quality of the teaching of mathematics and physics in schools.

W. W. Sweet.
*Head of Careers Advisory Service,
University of Lancaster.*

Putting business into politics

From Mr Tom Normanton, MP

Sir,—The criticism of politicians by Mr Don Mellor, Vice-President, Engineering, Ford of Europe, might have had merit if a firm such as Ford had realised decades ago the then overriding need, and today the pressing urgency, to synthesise systematically the political and industrial cultures in which wealth creation is facilitated.

In the European Parliament and in most national parliaments, a parliamentarian or an official with industrial experience is a comparative rarity. Most are drawn from the public services, universities, research institutes and the liberal and teaching professions. The days have passed when rich men and the scions of great families played politics. Today politics, though still an art, requires a well-informed individual with experience of many aspects of society, and not just academic.

It is more than ever necessary for firms which have the financial capacity to do so, to provide the conditions which will enable young ambitious men and women, particularly family men, to enter politics and to see this development as being in harmony with an individual's continued growth, partly within the company and growingly in the body politic. In this way, a firm or an industry can make its concerns known publicly, or privately.

For nearly 30 years I have campaigned to bridge the divide between industry and the body politic. Industry has only itself to blame, particularly the motor industry, that during that time it was content to dialogue with officials and give them directorships on retirement. Small wonder that governments have appeared relatively insensitive to the worries of the motor industry and to the frustrations of other industrial sectors.

How many young executives is Ford of Europe encouraging to enter politics Mr Mellor? When will firms realise that they need not lose a talented person who enters politics? Indeed, their potential gain can be considerable.

Tom Normanton
House of Commons, SW1.

Who should talk to the banks?

From Colonel C. de Lisle.

Sir,—Margaret Hughes' excellent article (March 16) was headed *Interest rate confusion to end*. I wish this was so. In various newspapers a building society and a major UK bank advertised their borrowing rates, each calculating by totally different methods. Both institutions were providing interest with periodic rests, one semi-annually the other quarterly, and wished therefore to advertise their overall rate values, namely the annual equivalent in its gross format.

The building society, correctly in my view, found the effective rate from the quoted net form, and then converted to its grossed up format; the bank, however, first grossed up its quoted net, and then from that format proceeded to convert this value to its effective rate—giving an advertised rate of almost a quarter of one per cent higher than it should have been.

The Chief Registrar of Friendly Societies who, according to Margaret Hughes, "quickly stepped in to halt the ensuing confusion for investors" has thus already had an impact on building societies but obviously was not quick enough to impose his views on banks. Someone should—who?

C. de Lisle.
*Rabley Park Ridge,
Potters Bar, Herts.*

FINANCIAL TIMES

Thursday March 28 1985

LEGISLATION PROPOSED TO END PUBLIC SECTOR STRIKE

Wage costs to rise in Denmark

BY HILARY BARNES IN COPENHAGEN

WAGE COSTS in Denmark will increase by just over 3½ per cent over the oext two years under legislation proposed by the minority Government yesterday to end the strike which has affected the country since the weekend.

The Government proposed extending the present collective wage agreements in both the public and the private sector for two years. This will make it compulsory for the 300,000 workers who are either on strike or locked out in the private sector to return to work probably from Sunday or Monday morning. The measures will also avert strikes in the public sector next week.

But Denmark's left took a strong line against the proposals. Mr Anker Jørgensen, Social Democrat leader, said the wage policy was totally one-sided: "the bosses policy." The Socialist Party called for a general strike against the Government and the Socialist People's Party called for the present strikes to continue.

A meeting of about 1,000 militant shop stewards in Copenhagen promised demonstrations this week and said they would continue the struggle.

The wage settlement imposed by the Government permits general wages increases within a framework of about 2 per ceot a year. These will be offset to some extent by a reduction equal to 1½ per cent of the wage bill in employers' social security contributions from October this year.

The overall effect will be to increase wage costs over the two years by about 3.6 to 3.7 per cent, Mr Poul Schlüter, Prime Minister, told the Folketing (parliament), a figure which also takes into account the effect of a one-hour reduction in the working week from the end of next year.

Other measures include an increase in corporate income tax from 40 to 50 per cent and compulsory savings, in non interest-bearing accounts of 8 per cent of personal taxable incomes over DKr 150,000 ($13,000).

A freeze on fees in the liberal professions, limitations on increasing profit margins, reductions in mortgage loan limits and restrictions on consumer credit are amoog the other ingredients in what the Government described as a "total solution." The measures were agreed late on Tuesday night with the Radical Party, whose support is essential to ensure a majority in the Folketing.

The statutory order to return to work means that individuals who continue to strike and unions which support continued strike action will be subject to fines by the labour court. Militant elements in the trade unions are expected to try to keep the strike going, but as e bank economist commeoted: "The Easter holiday begins next Thursday and I doubt whether many will hold out once the break is over."

The Prime Minister told the Folketing that the Government bad no alternative but to intervene because the unions brought out oil and petrol distribution workers and power station workers causing about 100,000 people in the Jutland city of Aalborg to go without beating this week.

He told the Folketing that the measures would promote production and employment, substantially reduce the country's 10 per cent unemployment rate and reduce private consumption.

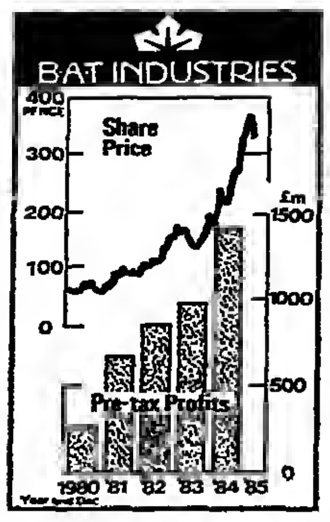
He expected the measures to eliminete Denmark's deficit on the current account by 1988, for the first time since 1963.

For the third consecutive day, bond prices increased on the Copenhagen stock exchange. Yields on mortgage bonds have fallen from about 13.9 to 13.4 per cent this week. The share price index fell yesterday by 1.19 to 178.54 as a result of the expected impact of higher corporate income tax rates.

Bank economists were unanimous in praising the positive effect of the income policy elements of the Government measures and predicted a reduction in annual inflation from just under 6 per cent to between 3 and 4 per cent by the end of this year.

Some said, however, that the decline in inflation would make for a reduction in interest rates, but others feared that the measures would have virtually no effect on this year's current balance of payments deficit and that this might well mean that interest rates would not fall.

Last week, Mr Erik Hoffmeyer, Governor of the central bank, called for measures to cut consumer demand in order to halve last year's DKr 17bn (about 3 per cent of FDP) current balance of payments deficit. Bank economists agreed that the Government's measures would not bring about such substantial reduction.



BAT profit up 44% to £1.4bn

By Alexander Nicoll

BAT Industries, the UK tobacco, retailing and financial services conglomerate, yesterday reported a 44 per cent rise in 1984 pre-tax profits to £1.4bn ($1.68bn). It stirred controversy, however, because of novel accounting methods used by its Eagle Star insurance subsidiary.

BAT's overall result, excluding the effect of Eagle Star's accounting change, was in line with market expectations. But about half the profit increase was due to currency movements, and this adversely affected stock market sentiment on a day when the dollar was falling sharply. BAT's share price fell 22p to 328p.

Analysts were upset by Eagle Star's decision, acknowledged by Mr Brian Garraway, BAT deputy chairman, to be "clearly contentious," to include in its profits the realised and unrealised capital appreciation of investments by its shareholders and general funds – smoothed by applying a five-year moving average.

The inclusion of capital appreciation, which does not apply to life insurance funds and is offset by a £10m increase in liability provisions which would previously have been provided out of inner reserves, added £95m to Eagle Star's – and BAT's – 1984 profits.

Mr Peter Rice, analyst at stockbrokers Wood Mackenzie, said conventional accounting methods were not satisfactory, and that Eagle Star "is to be congratulated for acting as a catalyst." But its method is unlikely to win industry acceptance, he said, because operating earnings and unrealised investment gains were like "apples and oranges" and should not be put together.

Mr Garraway said Eagle Star's portfolio extended far beyond equities, and would thus not necessarily suffer over an extended period from a stock market decline.

See Lex; Details, Page 34

Degussa lifts converter output after compromise by EEC

BY JOHN DAVIES IN FRANKFURT

DEGUSSA, the West German precious metals and chemicals concern, is pressing ahead with plans to expand production of catalytic converters for use in reducing pollution from motor vehicle exhaust emissions.

Plans to increase output of catalytic converters at plants in West Germany and Canada are part of the company's steadily rising investment programme.

Dr Erich Sattler-Dornbacher, a management board member, said that the European Community's recent compromise decision on car emissions amounted to a postponement of the Bonn Government's plans, but at least it was clear that emission controls would be tightened throughout the EEC.

The company tends to discount controversy about whether further development of lean-burn engines would be a more suitable epproach to car emission control than the use of catalytic converters.

Degussa was satisfied, Dr Sattler-Dornbacher said, that in the foreseeable future no other technology could achieve the emission standards likely to be specified in Europe.

Degussa claims about 50 per cent of the current European market for catalytic converters for motor vehicle emissions, with the devices mainly installed in cars to be exported to the U.S. and Japan. Its market share in the U.S. is considerably less.

It expects to see ooe or more companies start production of catalytic converters in Europe, adding to its present competitioo from Johnson Matthey of the UK.

With West Germans voluntarily starting to buy more cars with catalytic converters attached, Degussa expects its sales revenue from the devices to rise about DM 200m ($632m) io its current financial year, compared with DM 170m the previous year. The company is in the process of expanding capacity at Rheinfeldeo from 1.3m to more than 3m catalytic cooverters a year, and at Burlingtoo, Canada, from 1m to 5m a year. The expansioo plans are due to be completed in 12 to 18 months.

Degussa's overall sales revenue edged up only marginally to DM 11.12bn in the financial year to September 30 1984, mainly because of lower metal prices. But group net profit rose 22 per cent to DM 110m and the dividend is rising to DM 9.50 a share from DM 9.

The company, one of the oldest in Germany, its origins going back to gold and silver refining in Frankfurt, has been benefiting strongly from its wide-ranging chemical operations, the driving force behind its profit rise.

Capital investment, including financial investment, is expected to rise to more than DM 400m a year during the next two years, compared with DM 396m in the last financial year.

Herr Gert Becker, chief executive, said that the outlay would be directed mainly at building up business in chemicals and electronics-orientated operations, as well as pharmaceuticals.

Degussa has expressed confidence in its ability to cope with any difficulty arising from its involvement in the Ok Tedi gold and copper mining project in Papua New Guinea.

The ambitious project, in which Degussa has a 7.5 per cent stake, has run into big problems and delays, but the Papua New Guinea Governmeot and representatives of the shareholders recently settled their differences by agreeing on its phased development.

Degussa believes that partners in the project will endorse the agreement, under which copper mining will be postponed until the end of 1988. Among the partners are BHP of Australia, Amoco Minerals of the U.S. and Metallgesellschaft of West Germany.

$ falls sharply amid concern over banks

Continued from Page 1

confidence given by last week's budget.

Sterling's strength brought s slight fall in money market interest rates, prompting some suggestions that British banks' base lending rates could fall over coming weeks.

The Bank of England took the opportunity to replenish its foreign exchange reserves, buying small amounts of dollars at regular intervals throughout the day.

The authorities, however, again made it clear that the Government's anti-inflation strategy took priority over any cut in interest rates, and that borrowing costs could be expected to stay around present levels until the money supply was under firmer control.

In particular, the Treasury and Bank of England are seriously concerned about the rapid growth of bank lending in recent months and appear determined to squeeze credit demand with a sustained period of very high real interest rates.

"They are not operating a money supply policy but a credit supply policy," one leading commercial banker commented.

The massive daily cash shortages in the London money markets have allowed the suthorities to prevent any sharp fall in wholesale interest rates which would put pressure on the banks to lower their present base rates of 13½ per cent.

The view among the banks last night was that the markets may have to wait until the publication in two weeks time of money supply figures for March to see if base rates can fall.

Max Wilkinson, Economics Correspondent, writes: The British Treasury assumed that sterling's exchange rate against the dollar would remain at about $1.10 to $1.15 when preparing its budget forecast, officials revealed yesterday.

Mr Huw Evans, the Treasury undersecretary for economic assessment, told the all-party treasury and civil service committee that "a less cautious assumption" might have been made if the forecast was reworked at present.

Money supply and wages soar in China

Continued from Page 1

we will forfeit the trust of the masses."

He said the Government was drafting a new national wage system based on "the principle of distribution according to work", which would be implemented from July.

But the recent explosion in wages and bonuses, which outstripped the rate of increase in productivity and national income, meant further incentive pay rises were "unrealistic and impossible at present."

The Government, however, was committed to the objective of s wage system linked to "specific jobs, responsibilities and contributions."

Figures from an official survey published two weeks ago showed that the average urban income at the end of last year was 608 yuan (about $217) a year – an increase of 15.5 per cent on the previous year.

On the money supply, Zhao said: "A conspicuous problem is the issue of too much curreocy as a result of lax cootrol over credit and consumption."

European accord sought on attitude to star wars

By Bridget Bloom, Defence Correspondent, in Luxembourg

EUROPEAN governments are to try to formulate a common European response to the U.S. invitation to participate in the star wars research programme.

The formal invitation for Europe to participate in the research programme of the U.S. Strategic Defence Initiative (SDI) was delivered by Mr Caspar Weinberger, the U.S. Defence Secretary, to Nato defence ministers meeting in Luxembourg this week. Similar invitations have also been issued to France, Israel and Australia.

Nato's defence ministers yesterday endorsed the $26bn research programme. Their final communique, which was careful to limit Nato's approval to the research phase of SDI and not to the much more controversial prospect of the development or deployment of a ballistic missile defence system, also unanimously welcomed the U.S. offer of participation.

However, behind the warm words of welcome, a number of European ministers privately have reservations about participation in the research programme, at least until the terms of that participation have been clearly established.

Britain and West Germany are believed to be in the lead in seeking to deepen European consultation on the issue in an effort to try to reach agreement oo elements of a common approach within the next two months. Mr Weinberger's letter asked for replies to his invitation "within 60 days."

Their efforts are likely to find first formal expression in a meeting of foreign and defence ministers of the seven-nation Western European Unioo in Bonn on April 22-23. The WEU includes Britain, France and West Germany, the three countries singled out by the U.S. as having most to offer to the U.S. research programme. Other members are Italy, Belgium, the Netherlands and Luxembourg.

European ministers are well aware that their effort to reach a common approach, even on the limited aspect of participating in SDI research, will be both difficult and delicate. For a start, it seems clear that the U.S. will want to conclude any deal on participation on a bilateral basis.

At a press conference at the end of yesterday's meeting, Mr. Weinberger described the possibility of a joint European approach as "purely hypothetical," repeating that Washington expected to deal with individual nations on the issue.

European governments fear that unless they can co-ordinate their approach, especially on the terms on which participation is to be accepted, Washington will attempt to pick only those technologies where European companies or research establishments have a lead over the U.S. This could leave many companies whose work could be competitive with their U.S. counterparts with no role to play.

Fears are also expressed that such limited participation could result in a net drain in European technology – and possibly of European scientists – to the U.S.

In the immediate future, governments are assembling an inventory of the types of technology they might have on offer. Mr Michael Heseltine, the UK Defence Minister, said yesterday that his chief scientific adviser had been asked to report urgently oo the matter, while Herr Manfred Wörner, the West German Defence Minister, outlined two areas in which Germany believed it has a lead over the U.S. – optical sensors and space sub-systems – and a number of others where it was thought to be fully competitive with the Americans.

● Mr Bob Hawke, Australia's Prime Minister, told parliament yesterday that no invitation to participate in the SDI research programme had yet been received from Washington, so the question of whether Australia would accept participation was hypothetical.

Change for UK nuclear armament, Page 3

THE LEX COLUMN

A bold stroke from BAT

BAT Industries must be reflecting that the stock market is an ungrateful place. Instead of applause for by far the largest profit figure ever reported in the UK – oil companies apart – BAT has run into a storm of criticism over its novel accounting policies. And its share price, down 22p to 328p, has suffered along with the falling dollar – not unreasonably, since over half of group revenue is dollar-related.

The new accounting treatment adopted by Eagle Star, taking credit on the profit-and-loss account for unrealised investment gains, has added £95m to the profits that would otherwise have been reported, not very significant in group terms, since without it BAT could still have shown a pre-tax profit of £1,310m for 1984, comfortably near the top end of City of London forecasts and over one third higher than the year before. Even subtracting its currency gains, BAT would be able to claim profits growth of around 10 per cent.

The effect on Eagle Star's profits, however, is anything but trivial: without it BAT would have been reporting profits in its new subsidiary of about £70m – including Grovewood – and had obvious troubles explaining why Eagle Star was quite so far short of covering its financing costs. As things stand, BAT has redefined the issue in such a way that it can legitimately draw attention to the fact that Eagle Star is at any rate worth more than was paid for it.

The way it has done this can arguably be represented as doing no more for the holding company – and its shareholders – than the market does for the shareholders of independent composites; it is quite clear that the market capitalisation of the composites reflects the growth in their shareholders' equity rather than just that of their stated earnings. BAT has taken rather radical means to achieve this end, all the same, in arguing that the profit-and-loss account should be made to do the job.

The attractions of the new accounting principle to other composites are clear as day – in a bull market, anyhow. Commercial Union might have been able to show £40m of pre-tax profit this year on the new BAT standard. But the market is likely to be sceptical of unrealised gains from four years back if equities start to slide; and just imagine the losses that would have been seen from the weaker composites after the 1973 oil crash.

Babcock Intl.

The transformation of Babcock from s maker of heavy power-station boilers to s light engineer is all but complete. Over half of last year'e trading profit emerged, swollen by currency translation, out of the U.S. – and from such activities as making door-knobs.

In the old UK power division, Babcock can only push on with in-fill jobs at low margins and further cut costs until Sir Frank Layfield has finished reading about Sizewell or power stations return to vogue – whichever is the earlier. In the U.S., there is clearly a prospect of growth beyond the £8m that fell by the management wayside in materials handling and process control; but the purchase of growth must be a priority, especially as Babcock actually improved its balance sheet through recession, uncovered dividends and the IBH affair, to generate another £9.6m in net cash last year.

Merely adding back last year's extraordinary losses caused by UK striking miners or Saudi clients, the group should make over £40m this year. But Babcock has attracted misfortunes of one sort or another every year since 1977; and caution on this front would add a point to a prospective multiple otherwise inexpensive, at less than seven.

Norcros/UBM

The loyal shareholders who stood by UBM in 1983 were amply rewarded for their patience yesterday. This time round, Norcros has returned with a much improved offer, the price having been bumped up by UBM's board in return for a recommendation to accept the terms. Taking the average share prices in the offer document, Norcros is paying more than 13 times historic earnings to win its prize. Paying that for a building materials company facing a downturn in the construction cycle smacks of tunnel vision – or at least determinatioo to win an immediate knock-out.

If UBM shareholders have got a good deal, Norcros investors may not be quite so happy. Both sides admit that there are only marginal industrial benefits to be gained from cross-rationalisation, and the combined group will end up with net debt of more than half shareholders' funds. Norcros might have done better to sell its UBM stake and buy a company which moved counter to the construction cycle on which so much of its own business already depends.

Coats Patons

Coats Patons, like BAT, is a by-word for exposure to the dollar. So it was only reasonable for the market to treat Coats in roughly the same way. Good figures, incorporating a large currency gain, were hit rather a discount on a day when sterling gained more than 5 cents, making next year's translation effect look unlikely to be worth having. On pre-tax profits up 26 per cent to £109.8m – passing £100m for the first time – Coats found its shares the victim of a rather churlish tribute, falling 8p to 152p.

There was little to be displeased with in the 1984 profits, however, although the contribution of retailing and fashion-wear fell 10 per cent short of its 1983 level, and even further short of target – a mistake which brought stock write-downs in the Country Casuals chain. Coats none the less proved that it has a clutch of high-quality operations to counterbalance the uncertainties of South America; Jaeger seems to have pushed ahead despite a heavy load of opening costs, and the die-casting companies confirmed their ability to grow on the profitable edge of some competitive markets.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	C	14	57	Dubrovnik	S	16	61	Malaga	S	21	70	Salzburg	F	12	54
Akrotiri	S	16	66	Faro	S	19	61	Malta	S	19	66	Seoul	C	7	45
Algiers	S	20	68	Florence	F	19	66	Manila	F	34	93	Singapore	C	32	98
Amsterdam	F	7	46	Frankfurt	C	9	48	Miami	C	22	72	Stockholm	C	1	34
Athens	F	15	59	Funchal	F	18	68	Milan	C	11	52	Strasbourg	C	8	46
Bahrain	S	23	73	Geneva	F	9	48	Moscow	C	2	36	Sydney	S	22	72
Bangkok	S	35	95	Gibraltar	F	18	64	Munich	S	9	48	Taipei	C	28	82
Barcelona	S	19	61	Guernsey	F	7	45	Nairobi	C	27	81	Tangier	F	16	61
Beirut	S	23	73	Helsinki	Sl	1	34	Naples	S	19	67	Tehran	-	—	—
Belgrade	S	19	66	H Kong	C	24	75	New Delhi	S	34	93	Tel Aviv	S	31	88
Berlin	C	11	52	Innsbruck	F	13	55	New York	F	15	59	Tenerife	-	—	—
Biarritz	S	9	48	Inverness	F	6	43	Nice	F	15	59	Tokyo	R	6	43
Blackpool	C	6	43	Istanbul	F	11	52	Oporto	-	—	—	Toronto	C	13	55
Bordeaux	C	9	48	Jersey	F	7	45	Oslo	C	3	37	Tunis	S	21	70
Brussels	C	5	41	Jo'burg	F	23	73	Paris	R	5	41	Valencia	F	20	68
Budapest	C	13	55	Las Palmas	S	23	73	Prague	F	12	54	Venice	S	13	55
B. Aires	R	24	75	Lima	F	26	78	Reykjavik	Sn	-5	23	Vienna	S	13	55
Cairo	S	31	88	Lisbon	F	16	61	Rio de J'o	C	34	93	Warsaw	C	12	54
Cape Town	S	29	84	Locarno	R	6	43	Rome	S	17	63	Zurich	C	8	46
Caracas	S	27	81	London	S	5	41								
Casablanca	C	17	63	Los Angeles	R	18	66								
Copenhagen	H	2	36	Luxembourg	R	5	41								
Corfu	C	16	61	Madrid	F	12	54								
Dublin	C	5	41	Majorca	S	19	66								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder H–Hail

Case and Paris differ on Harvester

Continued from Page 1

restructuring of the merged Case-Harvester group in Europe.

It is one factor which will determine the long-term future of Case International's two factories in the UK, at Meltham, near Huddersfield, and at Leigh, near Manchester.

For the present, the survival of both plants, which employ about 5,000 people, is assured, although, Case has made about 600 redundant at Meltham since November.

The plants will continue to supply small tractors to the U.S., where the merger has already resulted in the closure of the large Harvester plant at Rock Island, Illinois. But if Tenneco does buy the French plant, and if the severely depressed U.S. tractor market does not recover in the next two or three years, one British plant could be at risk.

Case relaunched its range of tractors yesterday. It consists of most models from the old Case and Harvester ranges, marketed under the name of Case International. These will be distributed by a new dealer network of 210 outlets in the UK, thinned down from the 320 which previously sold Harvester and Case tractors.

Mr Gleason said this gave the merged company, currently ranked third in Britain and second in Europe as a whole, the largest dealer network and a strong base from which to expand. He expected the group to become market leader in the UK and cootinental Europe within the next few years.

He said the U.S. and European agricultural equipment markets were likely to remain flat for the foreseeable future.

Mr Gleason said Case was committed to offering a full range of agricultural equipment through its dealer network, and negotiations were currently under way with at least one other manufacturer to supply items not currently produced by Case.

Published by The Financial Times (Europe) Ltd., Frankfurt Branch, represented by E. Hugo, Frankfurt/Main, and as members of the Board of Directors, F. Barlow, R.A.F. McClean, G.T.S. Damer, M.C. Gorman, D.E.P. Palmer, London. Printer: Frankfurter Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Main. © The Financial Times Ltd.

SECTION II – INTERNATIONAL COMPANIES
FINANCIAL TIMES
Thursday March 28 1985

Citicorp may take over failed Ohio savings bank

BY OUR FINANCIAL STAFF

THE STATE of Ohio is close to a deal to sell Home State Savings Bank, the Cincinnati-based thrift whose collapse sparked this month's Ohio banking crisis, to Citicorp, the biggest U.S. bank holding company.

The state's Commerce Department indicated that at present it was only negotiating with Citicorp, but a spokesman said state officials were still willing to talk to other suitors.

Home State shut after suffering heavy losses on deals with ESM Government Securities, a small U.S. securities trader. This caused the temporary closure of 70 state-insured Ohio thrifts. The Ohio Commerce Department said 23 of the thrifts were now offering full services to their customers, while the rest ware still applying a $750 a month limit on withdrawals.

In other developments, ESM itself has been declared bankrupt. It faces creditors' claims of $315m.

Mr Thomas Tew, a Miami lawyer who is acting as receiver for the Florida-based ESM, said be was placing the company in Chapter Seven proceedings under the U.S. bankruptcy code, meaning the company's assets will be automatically liquidated to pay off its debts.

Mr Tew's plan was approved by a U.S. district court judge at an emergency hearing in West Palm Beach, Florida.

In Washington, the Federal Home Loan Bank Board said it had received 53 applications for Federal insurance since the Ohio-insured institutions were closed earlier this month.

In Miami, American Savings and Loan Association of Florida, which suffered losses from dealings with ESM, said it began litigation against Alexander Grant & Company, ESM's auditors, and Mr Jose Gomez, the Grant partner in charge of the audit.

The S&L said the action sought damages amounting to the financial loss it suffered, punitive damages, treble damages for the loss sustained by statutory violations of securities laws, and legal fees.

Canadian bank rescue to give support group 75% of equity

BY BERNARD SIMON IN TORONTO

CANADIAN Government agencies and the country's six largest banks may end up as majority shareholders of the Edmonton-based bank that they rescued earlier this week.

Under the agreement saving Canadian Commercial Bank (CCB) from collapse, the support group is to acquire share warrants which, if exercised, will give it a combined 75 per cent interest in the bank. The group includes the Federal Government, the Provincial Government of Alberta, Canada Deposit Insurance Corporation and the six chartered banks.

CCB was forced to seek aid totalling C$255m (U.S.$185.4m) as a result of financial difficulties stemming from its heavy exposure to the weak western Canadian property market and, more recently, the inability of U.S. oil drilling companies to repay loans. Non-performing loans reached 10.2 per cent of the bank's assets at the end of January.

Mr Gerald McLanghlan, CCB's chairman, said thet the bank explored a number of other refinancing options, including writedowns of problem loans and an injection of fresh capital from shareholders. According to a government official, no other bank was willing to acquire CCB, the route traditionally followed by Canadian banks in difficulty.

The CCB rescue is the first time the Canadian Government bas directly assisted a bank. The last bank failure in Canada took place in 1923.

The warrants granted to the support group are exercisable at 25 cents a share.

FN arms group shows big loss

BY PAUL CHEESERIGHT IN BRUSSELS

FABRIQUE Nationale Herstal (FN), the Belgian arms and aeronautics manufacturer, showed a net loss of BFr 159m ($2.9bn) last year, eliminating the chance of a dividend for the third year running.

FN said yesterday that its 1984 turnover had been BFr 1bn less than the budgeted levels, at BFr 19.3bn, or 20 per cent less than in 1983.

The group has struggled to make profits since the start of the decade. It showed a loss of BFr 41m in 1980 and a profit of BFr 102m in 1981, but both 1982 and 1983 produced results close to breakeven.

In 1983 the order book fell to BFr 16.5bo and last year's poor results reflect this.

Orders started to pick up towards the end of the year to finish at the more normal level of BFr 28bn. This leads FN to predict a turnover this year of BFr 25bn, nearly BFr 6bn more than last, and a return to profit.

McGraw Edison open to Cooper bid

By William Hall in New York

FORSTMANN Little, the New York investmeot bank, said yesterday that it did not intend to raise its $59 per share cash offer for McGraw-Edison, leaving the way open for the Houston-based Cooper Industries to proceed with its $1.1bn takeover bid.

Last week McGraw-Edison, an Illinois-based conglomerate, agreed to be taken over by Forstmann Little in what was believed to be one of the largest leveraged buy-outs ever proposed. In these deals the purchaser borrows the bulk of the acquisition cost, hence the term leveraged buyout.

However, Cooper Industries, a producer of tools and hardware, topped Forstmann Little's bid a few days later offeriog $6 per share more. The new bidder took Wall Street by surprise since Forstmann Little bad offered what many analysts believe was a very fair price. The bid from Cooper Industries values McGraw-Edison at 15.8 times the company's 1984 earnings from continuing operations and 1.8 times book value.

Cooper Industries, which has a much lower debt-to-equity ratio than McGraw-Edison, has annual sales of $2bn compared with McGraw-Edison's $1.7bn. Although Cooper's intervention was initially interpreted as a hostile move, the two companies are now having friendly discussions and they hope to be able to complete the deal oo this basis.

Norsk Hydro's Wall Street listing delayed

By Fay Gjester in Oslo

NORSK HYDRO, the Norwegian energy group which changed its accounting in 1984 to fit in with U.S. practices, has had its application for a full stock market listing in New York delayed.

The listing will probably not now go ahead until the spring of 1986. Hydro intends to tap the bond market on Wall Street once its shares are listed. The current delay stems from Securities and Exchange Commission requirements.

Group net profits in 1984 totalled NKr 1.97bn ($212.5m), up from NKr 1.08bn in 1983. All divisions showed improved results.

Mr Torvild Aakvaag, Hydro's president, said thet for the second year running, petrochemicals, light metals and fertilisers had substantially increased their contribution to total operating profits.

Because of heavy taxes on offshore petroleum production, oil and gas after-tax results were now roughly equal to those of the land-based operations.

Mr Aakvaag forecast that profits for the current year would about match last year, and that thereafter the group would "at least" maintain earnings – and hopefully gradually increase them.

He attributed Hydro's success to its diversity, and to its policy of downstream acquisitions, particularly outside Norway.

Hydro faces a period of heavy investment in new oilfield development, be said, as first-generation oil and gas fields on Norway's shelf (Ekofisk and Frigg) near the end of their producing lives.

But the group expected to be able to finance much of the planned investment from current income. He would not say whether it planned a new share issue in the near future.

Finsider makes $720m loss

By Alan Friedman in Milan

FINSIDER, the Italian state steel corporation, last year made a L1,476bn ($720m) loss, which, while down on the record 1983 loss of L2,095bn, was none the less about L285bn larger than forecast.

The setback, which was greeted with disappointment in Italy, comes as European Community ministers are discussing rationalisation plans for Europe's steel industry. Finsider's 1984 turnover rose by 19 per cent to L12,457bn.

The state steel concern, which has spent hundreds of millions of dollars modernising its Bagnoli plant near Naples at a time when Brussels has been demanding production cutbacks, said the number of workers it employed had fallen last year for the first time to below 100,000.

At year-end, Finsider employed 96,760 workers, a drop of 14,772 in one year. But personnel costs rose last year by 11.6 per cent. Debt servicing charges were down slightly, to L936bn.

FLOTATION FOR FRENCH STATE-CONTROLLED GROUP

Bourse launch for rocket maker

BY DAVID MARSH IN PARIS

A HIGH-powered chunk of the European space programme is to be launched on the Paris bourse following a decision by Société Européenne de Propulsion (SEP), the French state-controlled rocket manufacturer, to sell around 10 per cent of its equity to private shareholders later this spring.

SEP which makes the engines for the Ariane space rocket as well as for the ballistic missiles for France's independent nuclear force will become the first state group to make an entry on the thriving "second market" of the country's bourse set up just over two years ago. This sector allows companies to float part of their shares without going through the same formalities demanded oo the main stock exchange.

The flotation, agreed on Tuesday night at a meeting of SEP's shareholders led by the state owned Snecma aero-engine group, is expected to be carried out at the end of May.

Final authorisation still has to be given by the Bourse Commission, and terms have not been worked out. But the issue, to be handled by Credit Lyonnais and Banque Indosuez, is expected to raise around FFr 46m ($46.92m) in new equity cash for SEP in a two-stage operation.

Snecma, which currently owns 50.1 per cent of SEP's FFr 60m nominal equity, will exercise conversion rights on its holding of an SEP convertible bond issue, bringing the company's capital up to FFr 76m. At the same time, it will sell off on the bourse about 13 per cent of the current capital – 10 per cent of the new capital – by placing shares on the second market. The two operations, taking into account the premiums on the conversion and the equity sale, will bring in FFr 46m in new capital and will leave Snecma with an unchanged majority stake.

Other SEP shareholders, including the aerospace group Aerospatiale and the metals concern Péchiney, are state owned, apart from the private Air Liquide group, which currently has 9 per cent.

In coming months, these shareholders will probably sell separately some portions of their holdings on the bourse, increasing the amount of outside equity in the SEP capital to 20 per cent, company officials said yesterday.

According to M Roger Lesgards, the SEP chairman, the share flotation will open up the company's share base and pave the way for further capital increases in coming years, while at the same time leaving Snecma with the role of "strategic pilot" for SEP's operations.

SEP made net profits of FFr 15.5m last year on turnover of FFr 1.6bn, up from profits of FFr 5m on sales of FFr 1.4bn in 1983.

This year's turnover, according to M Lesgards, is expected to rise to FFr 2.3bn, with a further increase to FFr 3.5bn forecast by 1988.

The company stands to reap a total of FFr 2.5bn in turnover terms over the next eight years as a result of the decision by European space ministers in Rome two months ago to press ahead with the future Ariane rocket programme. This is built around development of a cryogenic HM-60 engine for the heavy duty Ariane-5 rocket, which is due to enter service in the mid 1990s.

Last year's turnover was split 40 per cent each on Ariane work and contracts for France's strategic and tactical nuclear missile force, with 20 per cent representing a range of increasingly important ancillary activities in composite materials, image processing and small rocket engines in both the military and civilian fields.

This year, reflecting the increase in launches of Ariane, for which SEP will be turning out one engine a week, Ariane-connected sales are planned to amount to about 55 per cent of turnover, or FFr 1.2bn. Ballistic missile work is expected to bring in FFr 800m and other activities FFr 300m.

M Lesgards believes future Ariane development, against the background of the rocket entering into an increasingly fierce commercial battle with U.S. launchers, is bound to necessitate further calls for capital over the next few years. But a crucial condition for raising more funds from the market is that SEP must improve its profitability, he said.

A major reason for improving the company's capital backing is its need for research funds. Research spending is curreotly put at about FFr 200m a year, and the company is trying to boost its expertise in both small liquid-fuel and large solid-fuel engines and boosters for rocket development over the next 15 years.

Ford Motor predicts 1985 profits drop

BY OUR FINANCIAL STAFF

FORD MOTOR, the second biggest U.S. vehicle manufacturer, said it would be difficult to repeat its 1984 financial performance this year, despite its prediction that vehicle sales by the U.S. motor industry will be "somewhat better than 1984."

Ford earned nearly $2.91bn, or $15.79 a share, last year, but in its latest annual report company executives give several reasons why it will have trouble matching this.

First, the company will be paying taxes at a normal rate, whereas in 1984 it still had some tax credits to use up from previous loss-making years. Second, several new products will be introduced, while the end of voluntary restraints on Japanese car exports to the U.S. provided a "new and untested element."

U.S. Home, the largest U.S. builder of single-family homes, expects to report a first-quarter loss of $3.5m to $4m, due to a low level of backlog and inventory at year-end and the slow pace of economic recovery.

In the 1984 first quarter the company suffered a $3.2m or 9 cents a share loss. U.S. Home still expects a profit for all 1985, following a $43.9m loss in 1984.

Citicorp's institutional banking business, which has been hit by the international debt crisis, is likely to see earnings grow by 12 to 18 per cent annually over the next five years, Mr Thomas Theobald, vice-chairman said.

Institutional banking, which includes lending to corporations and foreign governments, is Citicorp's biggest source of profit, generating two-thirds of the bank holding company's $890m of net income last year.

However, earnings at the division have been flat for three years. Mr James Wooden, a Merrill Lynch analyst, said that if Mr Theobald's prediction was correct, it would mark a "fairly significant turnround" for the division.

Abitibi-Price, the world's largest newsprint producer, said it expects its 1985 profits to be "considerably higher" than the C$70m or C$2.97 a share earned in 1984.

"The North American economies are expected to perform in a positive fashioo during 1985, providing further growth for most of our key products," the company said. Other positive factors were better cost-price relationships and benefits from recent capital projects.

The one area of concern for Abitibi-Price, however, is the continuing strength of the Canadian dollar relative to overseas currencies.

Kaiser Aluminum and Chemical said in its annual report that it planned sharply to reduce capital spending this year to $140m from $242m in 1984 as part of an effort to strengthen its financial position.

The company also plans to hold future capital spending at the 1985 level until a strong improvement in net earnings and overall finances is achieved.

INTL. COMPANIES & FINANCE

BID TO STEM AUDIO-VISUAL DIVISION'S LOSSES

Philips warns of profits slide

BY LAURA RAUN IN AMSTERDAM

PHILIPS, the Dutch electronics group, predicted that this year's first quarter earnings would slip below last year's level, largely because U.S. economic growth has slowed from its "explosive" pace in the first quarter of 1984.

The robust U.S. economic recovery, particularly, helped fuel the doubling of profits to Fl 282m ($77.83m) in the first three months of 1984. For all of this year, Philips previously predicted that sales volume would grow by about 6 per cent and net income by as much as 25 per cent.

Mr Wisse Dekker, president, said on Tuesday that the group "might come close" to a 3 per cent profitability (earnings as a percentage of turnover) this year. That would be the highest ratio since Mr Dekker became president in January 1982 and in line with his 3-4 per cent goal "to ensure continuity and the necessary expansion of the company." Profitability was 2.3 per cent last year.

Mr Dekker also said that Philips, Europe's largest electronics company, would employ a more selective policy in product and geographical expansion. "We shall set priorities with regard to the scope of the company and at the same time select geographical regions where we intend to concentrate the further expansion of our business," he said in the annual report. In recent years the Eindhoven-based company has aggressively sought out numerous international co-operative ventures to expand its activities.

Philips also reported that operating losses in its audio-visual division more than doubled to Fl 418m last year from Fl 194m the preceding year. In a bid to reduce the red ink, Philips charged Fl 295m against operating income as a provision for intensive restructuring.

Company executives said jobs will be cut in European colour television production, although no figures or locations were given. Philips is the world's leading manufacturer of colour televisions but must achieve better economies of scale to preserve that position in the face of stiff competition, corporate chiefs said. Some consolidation among its seven European television plants may be involved.

Philips conceded that sales of its Laservision video disc players for home use remained below expectations. The laser-read optical disc system, which was launched in 1982, has been purchased primarily for educational and training uses.

Philips reiterated its commitment to the V2000 video cassette recorder, whose sagging sales were bolstered last year by the costly introduction of the competing VHS format. Production of the VHS system has barely kept pace with sales, Philips said, while V2000 inventories were quite sufficient. This multi-system approach has enabled the company to increase its VCR market share in Europe.

Another division in which heavy reorganisation is planned is that of household appliances and personal care products, where operating income slumped 18 per cent to Fl 351m last year from Fl 427m in 1983. Provisions of Fl 118m were set aside for increasing efficiency in the face of a stagnant market.

Production cutbacks will be made in the white goods sector, centred in Philips' Italian operations, where overcapacity is particularly pronounced. Sluggish demand and intensified competition as a result of the takeover by Sweden's Electrolux of Italy's Zanussi company necessitate the layoffs, Philips said.

Italian fibres group trebles 1984 earnings

By Alan Friedman in Milan

SNIA BPD, the Italian fibres, chemicals and munitions group, has announced nearly trebled net profits for 1984, at L50.8bn ($24.7m).

The profit, reflecting in large part a reduction of operating costs and a sharp improvement in the fibres division, was struck on parent company turnover of L547.5bn, a rise of 18 per cent.

In 1983 the Snia BPD parent company made a net profit of L18bn — the group was formed that year when Snia Viscosa merged with its defence subsidiary, BPD Difesa Spazio.

The group also announced that consolidated group revenues last year totalled L2,092bn.

Snia BPD said that at the group level its debt servicing charges last year represented 6.2 per cent of total turnover, or L129.7bn. This was down from the 1983 level of 8.2 per cent of revenues, or L140bn.

The group said yesterday its total workforce at year-end was 14,299, against 14,705 employees at the end of 1983. This represents less than half the group's 1977 workforce. Significant restructuring has taken place in the Snia fibres business, where 1984 net profits were quadrupled to around L12bn.

The Milan-based Mediobanca, Italy's premier merchant bank, holds 14.97 per cent of Snia BPD, while Fiat has a 27 per cent stake.

Pirelli, the leading Italian tyres and cables group, said its UK subsidiary last year more than doubled net profits to £13m ($15.6m). At the pre-tax level Pirelli UK recorded a £28.5m profit, up by 51.6 per cent.

Dome losses cut to C$197m

BY BERNARD SIMON IN TORONTO

DOME PETROLEUM, the debt burdened Canadian oil and gas producer, suffered a loss of C$197m (U.S.$ 143m) or 84 cents a share last year, compared with a record loss of C$1.1bn or C$4.72 a share in 1983.

The 1984 deficit was due largely to foreign exchange losses of C$110m and other costs totalling C$87m related to the company's debt rescheduling and interest on taxes due from Hudson's Bay Oil and Gas, which Dome acquired three years ago at the height of the acquisition spree which led to its current difficulties.

Asset write-downs of more than C$1bn were the main reason for the huge loss in 1983.

Dome's debt currently totals around C$6.4bn. The company signed a rescheduling agreement with more than 50 creditors last month, extending repayment of its debt to the mid-1990s.

Operating income rose by C$52m to C$1.2bn last year, while cash from operations increased from C$198m to C$209m.

The company said higher oil prices and natural gas volumes contributed to a 22 per cent boost in income from these sources. But earnings from natural gas liquids and Arctic contract drilling fell substantially.

Despite its financial problems, Dome has maintained an active exploration programme, drilling 1,308 wells last year, a quarter more than 1983.

Total revenues dropped by 5.7 per cent to C$2.4bn. Sales of assets raised C$139m last year.

Deutsche Bank dividend held

By John Davies in Frankfurt

DEUTSCHE BANK, West Germany's largest bank, is maintaining its dividend at DM 12 per share on its increased capital after a further solid performance last year.

Although the bank has not yet disclosed its profits, it indicated months ago that it was on course to match or even exceed the good results of 1983 and envisaged holding its dividend on capital increased by a rights issue during the year.

Its total dividend payout to shareholders will rise to DM 352.6m ($110m) compared with DM 325.5m on its 1983 results.

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A B·A·T Industries Report
Preliminary results for the year ended 31 December 1984

Profit up 44% – and again doubled in three years

The acquisition of Eagle Star Holdings in January 1984 made this a year of great significance for the Group's strategic development, and the inclusion of financial services for the first time has an important impact on the Group's results.

The results of Eagle Star are now arrived at on a basis which recognises the contribution from changes in the market value of the general insurance business' investment portfolio. This contributes £95 million of pre-tax earnings, in addition to what would have been reported under the previous policy used by Eagle Star.

Hambro Life's figures are not included in these results, since it joined the Group after the year-end, but its acquisition marks a further development of financial services as one of our four major business activities, along with tobacco, retailing and paper.

In 1984 B.A.T Industries again achieved a very fine performance. Pre-tax profit increased by 44 per cent to reach a record £1,405 million, and so once again has more than doubled within three years.

Group turnover from commercial activities increased by 22 per cent to £14,426 million, and there was also £1,077 million of premium income from financial services.

Group operating profit increased by 50 per cent to £1,465 million. This includes £1,148 million from commercial activities (35 per cent higher), £192 million from associated companies (54 per cent higher) and £125 million from the insurance operations of Eagle Star. Profit attributable to B.A.T Industries' shareholders increased by 43 per cent to £784 million.

The substantial increase in pre-tax profit once again demonstrates the Group's capacity to achieve real profit growth. Even after allowing for the exchange benefit from the strong dollar and the effects of changes in the composition of the Group, real growth over inflation of around 10 per cent has been achieved.

The recovery in tobacco continued, with volume steady and trading profit 29 per cent higher in sterling terms. Exchange rate fluctuations were an important factor, but higher selling prices and improved productivity provided elements of real growth in profitability. Brown & Williamson held its share of a slightly higher US market. There was a strong improvement in West Germany, and good Brazilian results were helped by leaf export profits. Barclay gained ground in Europe. There were good performances in Latin America, Hong Kong, Malaysia and Africa.

Retailing had a mixed year despite a 34 per cent increase in trading profit in sterling terms. Business in the US was influenced by high stocks and general price cutting, which affected most of BATUS Retail's companies, so that overall results in the US were less good than in 1983. But this was more than offset by the strength of the dollar, a sharp improvement in the UK, led by a very strong Argos performance, and the inclusion of four months' figures from Horten, which became a Group subsidiary in August. International Stores was sold to Dee Corporation at the end of the year.

Paper had an outstanding year, with trading profit 44 per cent higher. Appleton improved on an already impressive performance and is investing heavily in the strong growth of its North American markets, while in Europe and the UK, Wiggins Teape took full advantage of improved markets and several years of new investment and restructuring.

The insurance industry had a very poor year, and had Eagle Star been acquired for its first year earnings alone it would have proved a disappointment. But in the context of long-term strategy its performance was encouraging, and its results, compared to those of other insurance companies, endorse our original view of the high quality of its management.

Mardon Packaging again showed a strong improvement, with volume growth in Europe and the UK, and trading profit up 46 per cent, despite strong competition.

Other trading activities now include Grovewood Securities, which achieved its seventeenth year of uninterrupted profit growth. The home improvements business in Germany suffered from a decline in consumer confidence. There was an encouraging profit performance from our enlarged interests in fruit juice in Brazil. Lower profits were reported by the cosmetics companies which since the year-end have been sold to the Beecham Group.

Our associated companies continued to grow rapidly in significance. Imasco was again a major contributor, with an increased market share in tobacco and further expansion in restaurants and drug stores. Aracruz in Brazil benefited greatly from high exports of pulp priced in US dollars.

Reflecting acquisitions and the growth of our existing businesses, the total net assets shown in the Group balance sheet increased by £2.6 billion. It is a demonstration of the Group's financial strength that less than half of this substantial increase was financed by higher borrowings.

In the light of these excellent results, the Board will be recommending a final dividend of 6.25p, making a total for the year of 10.3p, an increase of 25 per cent over the previous year.

PROSPECTS

The world's economy continues to emerge from the long recession but instability of exchange and interest rates continues. In the industrialised world and developing countries our businesses continue to progress in this more encouraging environment. I shall comment fully on the prospects for this year at the Annual General Meeting.

PATRICK SHEEHY, Chairman

GROUP RESULTS

Year ended 31 December 1984	1984 £ millions*	1983 £ millions	change
TURNOVER (including duty and excise taxes)			
Commercial activities	14,426	11,846	+22%
Financial services	1,077	—	—
Share of associated companies	2,700	1,993	+35%
Commercial activities' trading profit	1,148	851	+35%
Financial services' profit before taxation	125	—	—
Share of associated companies' profit before taxation	192	125	+54%
Operating profit	1,465	976	+50%
Net interest	(60)	3	—
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,405	979	+44%
Taxation on ordinary activities	(532)	(373)	+43%
Profit on ordinary activities after taxation	873	606	+44%
Attributable to minority shareholders	(89)	(59)	+51%
ATTRIBUTABLE TO B.A.T INDUSTRIES	784	547	+43%
Dividends	(151)	(120)	+25%
Earnings per share	53·552p	37·569p	+43%
DIVIDENDS PER SHARE	10·300p	8·250p	+25%

DIVIDENDS

The directors will be recommending to the shareholders at the Annual General Meeting to be held on 16 May 1985 the payment on 2 July 1985 of a final dividend for the year of 6·25p per ordinary share of 25p.
Transfers received in order by the Registrar of the Company up to 4 June 1985 will be in time to rank for payment of the final dividend.
The following is a summary of the dividends declared for the years to 31 December 1984 and 1983.

	1984	1983
Interim paid 16.11.84	4·050p	3·375p
Final proposed payable 2.7.85	6·250p	4·875p
	10·300p	8·250p

ANALYSES

Year ended 31 December	1984 £ millions*	%	1983 £ millions	%
INDUSTRIAL				
Turnover				
Tobacco	6,943	48	6,138	52
Retailing	4,511	31	3,528	30
Paper	1,379	10	1,051	9
Packaging & printing	659	5	537	4
Other trading activities	934	6	592	5
Commercial activities	14,426	100	11,846	100
Profit				
Tobacco	698	48	542	56
Retailing	221	15	165	17
Paper	144	10	100	10
Packaging & printing	35	2	24	2
Other trading activities	50	3	20	2
Commercial activities	1,148	78	851	87
Financial services	125	9	—	—
Associated companies	192	13	125	13
Operating profit	1,465	100	976	100
GEOGRAPHICAL				
Turnover				
United Kingdom	2,346	16	2,167	18
Europe	3,095	21	2,367	20
North America	5,828	40	4,521	38
Latin America	1,721	12	1,601	14
Asia	939	7	725	6
Africa	411	3	398	3
Australasia	86	1	67	1
Commercial activities	14,426	100	11,846	100
Profit				
United Kingdom	106	7	80	8
Europe	109	7	65	7
North America	657	45	485	50
Latin America	138	10	113	11
Asia	83	6	61	6
Africa	49	3	41	4
Australasia	6	—	6	1
Commercial activities	1,148	78	851	87
Financial services	125	9	—	—
Associated companies	192	13	125	13
Operating profit	1,465	100	976	100

EXCHANGE RATE EFFECTS
The results of overseas subsidiaries have been translated into sterling for the purpose of this report at exchange rates ruling on 31 December in each year. Had the same exchange rates ruled at the end as at the beginning of the year, it is estimated that the figures would have been as follows:

Year to 31 December 1984	£ millions	% change
Turnover—commercial activities	12,600	+6
Trading profit—commercial activities	970	+14
Operating profit	1,255	+29
Profit before taxation	1,200	+23
Net profit attributable to B.A.T Industries	660	+21

*£1 Sterling = US$ 1·16 (Dec 1984); US$ 1·45 (Dec 1983).

INDUSTRIAL REVIEWS

TOBACCO

In sterling terms, turnover rose by 13 per cent, trading profit by 29 per cent. Brown & Williamson increased turnover by 6 per cent in dollars and trading profit by over 17 per cent, reflecting higher US cigarette prices and productivity. In West Germany, BATCF had 7 per cent volume growth, raised market share a point to 25 per cent, and strongly improved profitability. Brazilian cigarette profits were affected by price increases lower than inflation, but leaf exports grew and overall profit increased by 25 per cent in sterling.

Export volume and profit from the UK were substantially down, US export volumes continued depressed by the dollar's strength but profit was maintained, and BATCF's profitable West German export business increased volume and turnover.

Termination of direct sales and distribution in the UK eliminated losses. In Europe, only the Finnish market showed growth but most companies benefited from Barclay's continued good performance and, except for Belgium, their trading profits improved.

Most Latin American countries improved turnover and trading profit, in Hong Kong profit rose significantly, and despite difficult economic conditions the African companies increased profits.

RETAILING

Turnover increased by 28 per cent, trading profit by 34 per cent in sterling terms. Price discounting and intensive promotional activity affected the US industry, and although BATUS Retail's sales grew by over 7 per cent, trading profit in dollars was down 10 per cent. Saks Fifth Avenue increased turnover but with lower profit, but Marshall Field and Kohl's Department Stores had a good year with turnover and trading profit up. Breuners' furnishing retail and rental stores increased turnover and profit significantly. Gimbels-Midwest's trading profit rose strongly, but it was down at Gimbels-Pittsburgh and Gimbels-East.

In the UK, Argos made substantial gains in sales and trading profit, and increased its showrooms by 21 to 154. A new concept, Jewellers Guild, went into test with 15 stores. International Stores was sold to Dee Corporation as a growing and profitable business. The West German department store group, Horten, became a subsidiary in August and contributed £26 million trading profit.

PAPER

Turnover increased by 31 per cent and trading profit by 44 per cent in sterling terms. Appleton Papers had another record year, with dollar turnover up 23 per cent and trading profit 22 per cent, due mainly to higher sales volume and improved raw material conversion and productivity. In the UK, capacity utilisation was at a five-year high, Wiggins Teape's sales rose 17 per cent, and exports rose by a third to £132 million. UK profits doubled. The European carbonless copying paper business continued strong growth, the merchants increased margins, and profit increased substantially.

FINANCIAL SERVICES

The overall profit of the insurance operations comprises the underwriting results on general business risks, life business profits and returns on the investment portfolio. Eagle Star has adopted a new accounting policy which recognises, in the investment returns, both income earned and investment performance comprising realised gains and the change in market value over the year of investments held at the year end. This investment performance is taken to profit by reference to a five-year moving average.

On this basis, in 1984 Eagle Star contributed £125 million to Group operating profit - including £95 million arising from the change in accounting policy - compared to a pre-tax surplus for 1983 of £140 million.

Grovewood Securities' profit is included separately in trading profit from commercial activities. Without the change in accounting policy, the pre-tax surplus (excluding Grovewood) would have been £30 million, against £67 million.

General business premiums increased by 16 per cent to £665 million and the underwriting loss was £126 million. In the UK, premium income increased by 15 per cent but property, motor and liability account losses were also higher. Overseas premium income rose by 13 per cent, and life assurance premiums world-wide rose by 31 per cent to £412 million. In the UK, total new annual life premiums were down but new single premiums were up 46 per cent.

Turnover of **Mardon Packaging International** rose by 23 per cent, with trading profit up 46 per cent. There was some growth in the UK and Europe and volume and productivity gains gave higher profit. North America was also well up.

In **other trading activities**, the West German home improvements operations were affected by lower consumer confidence, turnover rose slightly but profit was down. Grovewood Securities, the investment holding company acquired with Eagle Star, made another record trading profit, up 21 per cent at £28 million. The Group's cosmetics interests, now sold, reported turnover up 12 per cent but trading profit 9 per cent down.

There was another strong increase in the Group's share of pre-tax profits of **associated companies**, up 54 per cent to £192 million. Imasco raised Canadian dollar pre-tax profit by 19 per cent. In Australia, AMATIL's profit was up 27 per cent in sterling terms. Pulp production at Aracruz Celulose, Brazil, was 6 per cent higher and profit increased significantly. Skandinavisk Holding's pre-tax profit increased by 45 per cent in sterling.

These figures for the year ended 31 December 1984 have been extracted from the full financial statements to be delivered to the Registrar of Companies, and carry an unqualified audit report.

The Report and Accounts will be available on 24 April 1985. The Annual General Meeting will be held on 16 May 1985.

B·A·T INDUSTRIES

Windsor House, 50 Victoria Street, London SW1H 0NL.

INTL. COMPANIES & FINANCE

Nisshin Steel chief agrees to join board of NTT

BY JUREK MARTIN IN TOKYO

MR YUZURU ABE, currently the president of Nisshin Steel, has agreed to serve as a non-executive director of Nippon Telegraph and Telephone when it is transformed next Monday into a nominally private company.

This constitutes a face-saving settlement in what had been a bitter battle between Japan's business establishment and some of its leading politicians over NTT's new management.

Dr Hisashi Shinto will be re-confirmed today as president of the new NTT. Mr Yasusada Kitahara will be named the sole vice-president. There will be no chairman, though it is widely assumed Dr Shinto will move up to this advisory position in two to three years, to be replaced as chief executive by Mr Kitahara.

Mr Abe, who the business establishment wanted installed alongside Mr Kitahara as a possible next president, will simply be one of a 26-member board, which will include five executive managing directors, all of whom now work for NTT.

Mr Abe had withdrawn his name from consideration 10 days ago, citing health reasons. His supporters were still insisting yesterday that on his recovery he could yet be elevated to the level of Mr Kitahara, who enjoys the backing of prominent politicians close to the former Prime Minister, Mr Kakuei Tanaka.

The settlement itself was in fact clinched, by the politicians, on the floor of the Diet (parliament) on Tuesday afternoon. Mr Shin Kanemaru, a leader of the Tanaka faction and secretary general of the ruling Liberal Democratic Party, put it to Mr Yasuhiro Nakasone, the Prime Minister, in a whispered conversation and won his assent.

Earlier in the day, Mr Abe had been visited in hospital by Mr Hiroki Imazato, head of the NTT "foundation committee" and accepted a directorship.

Director of Deak Perera unit arrested

By David Dodwell in Hong Kong

HONG KONG'S Commercial Crime Bureau yesterday arrested a former director of Deak Perera (Far East), a defunct local subsidiary of the troubled U.S. banking, foreign exchange, and precious metals group. It also issued warrants for the arrest of the group's founder and for its other principal shareholder.

Mr Anthony Pong, 39, was arrested on two charges under the Deposit-Taking Companies Ordinance. He will appear in court today. Arrest warrants were issued for Mr Nicholas Deak and Mr Otto Roethenmund, both of whom are understood to be in the U.S. It was not clear yesterday whether the two can be extradited to face the charges.

Deak Perera (Far East) shut its doors late last year after its parent in the U.S. filed for protection under Chapter 11 of the U.S. bankruptcy code. The Hong Kong subsidiary, licensed as a gold and foreign exchange dealer, was wound up early in February with liabilities estimated at U.S.$25m.

The charges allege that the men operated an unregistered deposit-taking company contrary to the Ordinance, and that they used a scheme to avoid the provisions of the Ordinance.

Meanwhile in nearby Macao, Dr Inglesias Tomás, deputy head of the territory's monetary authority, has been cleared of any wrongdoing after a two-month investigation into his relationship with Deak & Co (Macao).

Bond raises offer for Arnotts

By Our Financial Staff

MR ALAN BOND's Bond Corporation of Perth yesterday boosted its takeover bid for Arnotts, the leading Australian manufacturer of biscuits, from A$4.20 a share to A$4.35, and promised a further rise to A$4.20 if it wins 90 per cent.

At the same time, Bond is pursuing its challenge to an Arnotts defence move against the bid, in which it placed a parcel of shares with Campbell Soup to give the U.S. concern a 10 per cent stake. A New South Wales court is due tomorrow to hear a Bond suit issued under the state's companies code.

Bank of America rules out trust banking in Japan

BY ROBERT COTTRELL IN TOKYO

BANK OF AMERICA said yesterday that it would not enter the current round of applications by foreign banks for licences to conduct trust banking business in Japan. The statement comes ahead of the April 1 deadline for foreign banks to submit their licence applications to Japan's Ministry of Finance.

Japanese financial regulations restrict the management of corporate pension funds to licensed trust banks and life insurance companies. Selected foreign institutions are due to be allowed into the trust banking field for the first time this year.

Bank of America said it believed itself to meet all the formal qualifications needed to apply for a Japanese trust banking licence, but felt it had a "very limited opportunity to contribute to this market."

Instead, the bank plans to set up a Tokyo subsidiary of its BA Investment Management Corporation, which would provide advisory services for Japanese institutional investors in overseas markets.

It is generally expected that the present round of trust bank licensing will yield approvals for eight foreign banks. Applications are expected from leading U.S., British, Swiss, and other European institutions.

Growth slows at Adnic

BY ANGELA DIXON IN ABU DHABI

ABU DHABI National Insurance Company (Adnic), the largest insurance company in the United Arab Emirates, recorded net profits last year of Dh 104.5m ($28.4m), up from Dh 83.9m in 1983. It is to make a one-for-four scrip issue.

The value of premiums written rose 3.5 per cent to Dh 415.6m, and during the year the company's total assets increased by 20 per cent to Dh 575.2m.

Mr Khalaf Al Otaiba, the chairman, told shareholders that the gross premium growth had slowed from at least 15 per cent in former years, due to depressed conditions in the local insurance market.

However, the company expects the market to improve in 1985, partly because of the withdrawal of a number of companies from the insurance business and partly because of the measures the Government is expected to take in order to increase economic activity.

A 25 per cent stake in Adnic is owned by the Abu Dhabi Investment Authority.

Recovery for Neptune Orient

BY OUR FINANCIAL STAFF

NEPTUNE Orient Lines, the state-controlled Singapore shipping company, has reported a 24.8 per cent recovery in after-tax profits for 1984 to S$11.2m (US$5m).

However, at the attributable level the outcome was below the S$13m produced in 1983—that year had the benefit of an extraordinary credit from the sale of office space. Turnover moved up 3.6 per cent to S$814.1m in 1984 and the dividend is maintained at 7.5 cents a share.

The company, a minority of which was sold to private investors in 1981, has been suffering from the recession in the world shipping industry.

Neptune said it expected no further improvement in 1985 earnings.

Petrofina deal clouds privatisation prospects of Petro-Canada

BY BERNARD SIMON IN TORONTO

NO COMPANY evokes stronger emotions among Canadians at large than Petro-Canada, the nine-year-old state energy group. Some patriotic motorists make a point of filling up at garages owned by Canada's only locally-controlled integrated oil company. In oil-rich Alberta, on the other band, many western Canadians equally deliberately avoid Petro-Canada stations, and their bumper stickers urge other to do the same. Calgary residents have nicknamed Petro-Canada's new terracotta-coloured head office tower in the city Red Square.

Several controversies are swirling around the company, which was formed in mid-1976 to give the Canadian Government a "window" on a strategic industry dominated by foreign —mostly U.S.—multinationals.

The return to power of a pro-business Conservative Government in last September's Federal Elections has raised the prospect that some of Petro-Canada's assets, valned at C$9.1bn (U.S.$6.6bn) at the end of 1984, may be sold to private investors.

The new Government has already announced that Petro-Canada will not receive an injection of equity from public funds in 1985, for the first time since the company was formed. Miss Pat Carney, Federal Energy Minister, says that no further contribution will be made "unless it meets e specific goal."

The privatisation issue is on the backburner for the time being, while the authorities investigate whether Petro-Canada paid a fair price in 1981 for the Canadian assets of Petrofina, the Belgian Energy company. The C$1.6bn deal, the biggest of Petro-Canada's four major acquisitions in the past decade, gave it e large stake in the retail petrol market in eastern Canada.

The price Petro-Canada paid for Petrofina shares was almost double their stock market value before the purchase was announced. The international accounting firm of Ernst and Whinney, commissioned hy Ottawa to assess the Petrofina deal concluded earlier this month that the price was "above fair market value," hut was justified "because of the special benefits that were expected to accrue to Petro-Canada." The company currently has a 14.8 per cent share of the refined oil products market, compared with less than 2 per cent in 1979.

However, Ernst and Whinney took Petro-Canada to task for not doing its homework thoroughly prior to putting in a bid for Petrofina.

Critics deride Petro-Canada as a bloated and inefficient bureancracy, dependent for its growth on regular amounts of pnblic funds, including the generous grants availablo for Canadian participation in oil forecast in a glowing report on Petro-Canada last September that earnings would shoot up by another 60 per cent this year, and by 43 per cent in 1986. The house concluded that Petro-Canada's profitability ratios were comparable with those of other oil companies if the value of its assets, calculated at close to current costs, were adjusted to the more fevourable historic costs used by competitors.

The days of heedy growth by acquisition appear to be over

Controversy swirls around Petro-Canada, the only locally-controlled integrated oil company in Canada. In 1985, for the first time since the company was set up nine years ago, it is to receive no injection of public funds. This follows last September's return of a Conservative Government in the Federal Elections. The question of whether Petro-Canada paid a fair price in 1981 for the Canadian assets of Petrofina, of Belgium, is being examined. On the backburner is the matter of whether some of the company's assets may be sold to private investors

and gas exploration in the Arctic and off the East Coast.

Ottawa has so far contributed equity of C$1.7bn to Petro-Canada plus another C$1.5bn financed by a "Canadian ownership tax" on petrol sales for the Petrofina takeover. Petro-Canade is by far the largest recipient of frontier exploration and drilling grants, taking C$262m, or 15 per cent of the total, in 1984.

The company last week reported its 1984 financial results, the best since its inception. Net earnings more than trebled last year to C$151m, while revenues rose by 20 per cent to C$4.9bn. Cash evailable for reinvestment and debt repayments stood at C$911m, a 38 per cent increase. An austerity drive since mid-1982 has cut the workforce by almost one-third to 6,200.

Still, Petro-Canada's performance has failed to match that of most of Canada's other integrated producers. Imperial Oil, a subsidiary of Exxon of the U.S., and the country's largest oil company, boasted a return on sales of 5.5 per cent last year, and a return on capital employed of 7.3 per cent, compared with Petro-Canada's 3 per cent and around 2 per cent respectively.

Dominion Securities Pitfield, the Toronto securities house, for the company which, in the first seven years of its life, took over the Canadian business of Atlantic Richfield of the U.S., Pecific Petroleum, the refining end marketing arm of BP of the UK, and Petrofina. Besides financial constraints and the new government'a wary policies towards crown corporations, a company official notes: "We're almost everywhere. What do you want us to buy?"

The only obvious gep is in the bostile western Canadian retail market, where Petro-Canada's presence remains small.

Like other Canadian oil companies, Petro-Canada has abandoned some of the megaprojects planned when energy prices were rising in the late 1970s and early 1980s, and is concentrating instead on more modest ventures with e quick payback.

Capital spending rose by 13 per cent last year to C$1.1bn, of which 65 per cent was earmarked for oil and ges exploration. An official of the Canadian Petroleum Association says that Petro-Canads has become more aggressive in land purchases and drilling in western Canada.

Among the projects abandoned in the last few years are the ambitious Alsands tar sands venture in Northern Alberta (in which Petro-Canada was to be the second largest participant) and a pilot scheme to ship oil end gas from the Arctic.

The company retains e 30 per cent interest in the venture gas field off the coast of Nova Scotia and a 25 per cent stake in the Hibernia oil find off Newfoundland, both of which are due to start commercial production late this decade or in the early 1990s. In Western Canada, Petro-Canada is a partner with BP in the Wolf Lake beevy oil project which is about to come on-stream. It has a 17 per cent shareholding in Syncrude, the Northern Alberta synthetic oil facility.

The company is presently looking for partners for a similar project at Daphne Lake, north of the Syncrude site. Preliminary engineering studies bave been completed. According to a Petro-Canada officiel, the company wants no more than a 20-30 stake in the project, the cost of which may reach C$4bn.

Miss Carney says that Ottawa has examined the privatisation issue only in a "preliminary way." She adds that "until the cloud over the acquisition of Petrofina is removed, we can't really address the question of bow we will use Petro-Canada in the future."

Several chunks of Petro-Canada could be privatised without closing the Government's "window" on the oil and gas industry, which the Conservatives appear eager to retain. For example, the company has e 31 per cent interest in Westcoast Transmission, the Vancouver-based pipeline utility. It also has e number of international investments, including a 10 per cent atake in BP's exploration programme off the Chinese coast.

Petro-Canada's operations heve expanded considerably beyond its original mandate. A Petro-Canada International Assistance Corporation (PCIAC) was set up in 1981 to provide Canadian expertise for Third World countries trying to rednce their dependence on imported energy.

PCIAC has worked in 16 countries. A drilling and well-testing project in Barbados has helped donble that country's oil output, cutting its dependence on imports from 70 per cent to 40 per cent. Thai officials have told PCIAC that a seismic exploration project may lead to an invitation to a Canadian company to take part in a joint oil venture in Thailand.

BAT heads profit league with £1.41bn

BAT Industries yesterday took its place at the top of the profits league for companies outside the oil sector when it announced a £1.41bn taxable result for 1984.

This surpassed most City expectations by nearly £100m and eclipsed the £1.03bn reported last month by ICI, although British Telecom has hinted that it could be on course for £1.48bn.

A change in accounting policy by Eagle Star, BAT's insurance subsidiary, boosted pre-tax profits by £95m. Eagle Star's results were calculated on a basis recognising the effect of changes in the market value of thet general insurance business's investment portfolio.

In terms of stock market value BAT, a blue chip stock, ranks sixth behind BP, Shell, British Telecom, ICI and GEC. At last night's closing price of 328p, down 22p, the company is valued at £4.81bn.

Over the past 15 months BAT has been active on both the acquisition and disposal fronts. Its largest purchases were Eagle Star and Hambro Life, while sales included International Stores and the cosmetic business, Germaine Monteil USA.

"Reflecting acquisitions and the growth of our existing businesses, the total net assets in the balance sheet increased by £2.6bn.

"It is a demonstration of the group's financial strength that less than half of this substantial increase was finance by higher borrowings," says Mr Patrick Sheehy, the chairman. There was a net £60m interest charge in 1984 against a £3m credit.

Mr Brian Garraway, deputy chairman, says that BAT is looking at a number of strategic developments which "could be in one or other parts of the business."

On the financial services side, he says that BAT's sees itself moving into other countries, particularly in Western Europe and North America.

But the group will be taking its time over its next moves. "We don't feel pressed on that at all. What is more important is that we get the strategy right."

The financial services industry is huge, he says and adds: "I think there are big segments in it which we should concentrate. Our particular interest is towards the retail end."

Commenting on how BAT might develop in other countries, Mr Garraway says: "I can't absolutely say we will develop from the same activities as we are doing in the UK.

"That may not be appropriate in those countries or the opportunities may not be there,

Mr Patrick Sheehy, chairman of BAT Industries

"but, he says, there will be some correlation.

In overall terms be says the group will be looking for growth in the UK and Western Europe and from the U.S. over the next few years. The U.S. is a "great economy in which to be invested."

He says that "our real concern is that we have very strongly based businesses in an extremely good commercial and industrial investment environment."

Also, he says BAT will be looking for continuing growth from developing companies and will be aiming to build up its presence in the Pacific basin and the Far East.

"We are reasonably represented there but not as strongly as we would like," be says.

The profit for 1984, a rise of 44 per cent over 1983's £979m, was achieved across the board and included an inaugural £125m contribution from financial services. Total turnover rose from £13.84bn to £18.2bn.

Mr Sheehy, says that the record breaking acquisition of Eagle Star in January 1984 "made this a year of great significance for the group's strategic development," and financial services has made an "important impact" on the results.

In the light of the figures, the board is recommending a 25 per cent increase to 10.3p in the total dividend with a lift from 4.875p to 6.25p in the final distribution. Earnings rose from 37.57p to 53.55p, after tax of £532m (£373m).

Mr Sheehy says that the profits increase "once again demonstrates the group's capacity to achieve real profit growth.

"Even after allowing for the exchange rate benefit from the strong dollar and the effects of changes in the composition of the group, real growth over inflation of around 10 per cent has been achieved," he says.

The recovery in BAT's mainstay business, tobacco, continued with volume steady and trading profits emerging 29 per cent higher at £698m in sterling terms.

"Exchange rate fluctuations were an important factor," he says, "but higher selling prices and improved productivity provided elements of real growth."

Brown and Williamson "held its share of a slightly higher U.S. market" and there was a "strong improvement in West Germany." Brazilian results "were good," helped by leaf export profits, while Barclay gained ground in Europe.

Retailing, however, "had a mixed year despite a 34 per cent increase in trading profits." U.S. business, says Mr Sheehy, was influenced by high stocks and general price cutting, which affected most of BATUS Retail's companies, and the overall result was less good than in 1983.

"But this was more than offset," he says, "by the strength of the dollar, a sharp improvement in the UK, led by a very strong Argos performance, and the inclusion of four month's figures from Horten, which became a group subsidiary in August."

Paper "had an outstanding year" with trading profits 44 per cent higher at £144m. He says that Appleton improved on an already impressive performance and is investing heavily in the strong growth of its North American markets.

In Europe, the UK Wiggins Teape "took full advantage of improved markets and several years of new investment and restructuring."

The insurance industry, however, "had a very poor year, and had Eagle Star been acquired for its first year earnings alone it would have proved a disappointment. But in the context of long-term strategy its performance was encouraging."

Eagle's general business premiums rose by 16 per cent to £665m. The underwriting loss was £126m, reflecting "inadequate premium levels in the industry in the face of increasing claims in most territories."

In the UK, premium income climbed by 15 per cent and towards the year-end there was a "much firmer" attitude to the rating of commercial business by reinsurers.

Overseas premium income rose by 13 per cent. The results were dominated by U.S. underwriting losses of £12.6m. "These were in line with general experience in the U.S. property and casualty market — where Eagle Star's exposure is relatively small — which saw its worst ever year in 1984."

Life assurance premiums worldwide increased by 31 per cent to £412m and shareholders' life profits were 8 per cent higher at £22m.

Mardon Packaging again improved, with volume growth in both Europe and the UK, and trading profit rose by 46 per cent despite strong competition.

Other trading activities now include Grovewood Securities, "which achieved its seventeenth year of uninterrupted profit growth," says Mr Sheehy.

While the home improvements business in Germany suffered from a decline in consumer confidence, there was an "encouraging profit performance" from enlarged fruit juice interests in Brazil. Lower profits were reported by the cosmetics companies which since the year-end have been sold for £104m to the Beecham Group.

Within the associate companies, Imasco was again a major contributor with an increased market share in tobacco and further expansion in restaurants and drug stores. Aracruz in Brazil benefited from high exports of pulp priced in U.S. dollars.

On prospects, Mr Sheehy says that the world's economy continues to emerge from the long recession but instability of exchange and interest rates continues. However, "in the industrialised world and developing countries our businesses continue to progress in this more encouraging environment."

After all charges, including a £64m extraordinary credit, retained profits for the year amounted to £629m against £403m. There was a total £1.11bn (£446m) transfer to reserves after taking account of revaluations, goodwill, share premiums and exchange effects on net assets.

See Lex

GEOGRAPHICAL AND INDUSTRIAL ANALYSIS OF THE PROFIT AND LOSS ACCOUNT

	Turnover 1984 (£m)	Turnover 1983 (£m)	Operating profit 1984 (£m)	Operating profit 1984 (£m)	% change
Geographical					
UK	2,346	2,167	106	80	32.5
Europe	3,095	2,367	109	65	67.7
North America	5,828	4,521	657	485	35.5
Latin America	1,721	1,601	138	113	22.1
Asia	939	725	83	61	36.0
Africa	411	398	49	41	17.1
Australasia	86	67	6	6	—
	14,426	11,846	1,148	851	34.9
Industrial					
Tobacco	6,943	6,138	698	542	28.8
Retailing	4,571	3,528	221	165	33.9
Paper	1,379	1,051	144	100	44.0
Packaging	659	537	35	24	45.8
Other	934	592	50	20	150.0

Profit and Loss	1984 (£m)	1983 (£m)
Turnover	18,203	13,839
Operating profit	1,465	976
Net Interest	60*	3
Pre-tax profit	1,405	979
Tax	532	373
Minorities	89*	59
Extraordinaries	64	24*
Transfer to reserve†	68	—
Dividends	151*	120*
Retained	629	403
Transfer to reserves	1,113	446

* Debt. † Revaluation.

Waring and Gillow settles for £25m

By Stefan Wagstyl

ONE OF the City's longest running takeover sagas ended yesterday—with a £24.9m agreed bid for the struggling furniture company Waring and Gillow.

A consortium led by Mr Cyril Spencer, former executive chairman of the Burton store group, reached a deal with the Waring board, headed by Mr Manny Cussins and his son, Mr John Cussins, who together with their families and fellow directors speak for 20 per cent of the equity.

A the same time, the consortium won the agreement of 31-per-cent shareholder Great Universal Stores.

Although Waring has been at the centre of bid rumours for more than a decade, speculation has been particularly intense over the last year after Waring with its advisers Schroders acknowledged that it was talking to potential purchasers.

But these discussions came to nothing and it was left to Mr Spencer's consortium, advised by Hambros Bank, to make a bid after several weeks of talks. "It was very nail-biting but we did it in the end," he said yesterday.

The consortium, which has formed a company called Hopecastle to make the bid, is offering 160p of Hopecastle unsecured loan stock 1990 issued at par, or 153p cash, for every Waring share. The loan stock will not be listed but it will be backed by a bank guarantee. Waring shares closed 8p down at 147p yesterday.

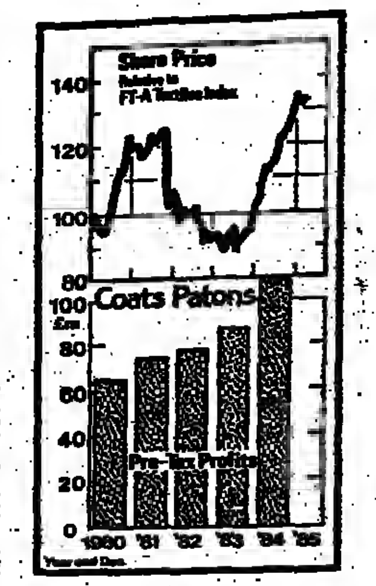
Mr Spencer's consortium is backed by Albion Trust, a management buy-out and development capital company set up by commodity trader S and W Berisford. Albion has about 85 per cent of Hopecastle and Mr Spencer a further 10 per cent.

The remaining 5 per cent will be in the hands of 37-year-old Mr Ashley Meyer, former managing director of the furniture business of the Debenhams store group, who will be the new company's chief executive.

Waring, with 116 stores and shops [illegible] mainly in the UK, but also in the U.S. and France, has been controlled by the Cussins family since 1953 when Mr Manny Cussins bought a stake from Great Universal Stores, which nevertheless stayed on as a minority shareholder.

After hitting peak profits of £4.8m in 1979, the Sheffield-based company found trading difficult and profits declined steadily in the recession before falling into loss in 1983. Waring recovered in the year to last March with profits of £220,000 on sales of £93m but earlier this month reported an interim loss for the current year.

All-round progress pushes Coats Patons through £100m level



Coats Patons, a world leader in threads and knitting yarns, pushed its sales through the £1bn barrier during 1984 and saw its profits before tax surge past £100m for the first time.

Results generally were good across the group's range of activities, which also take in leisure and craft products, retail shops and precision engineering and diecasting.

At £1.08bn, turnover showed an increase of 21 per cent over the previous year's £888m, with half the rise attributable to exchange translations due to the weakness of the pound. Volume was 5 per cent ahead in aggregate mainly because of acquisitions.

Trading profits rose by 29 per cent to £121.8m (£94.5m) with margins 0.7 per cent ahead at 11.3 per cent.

Pre-tax profits came through £22.8m higher at £109.8m of which £12m was exchange gains. Investment and other income added £7.6m (£7.1m) but net interest charges took £5m more at £19.6m. Last year's figures were also after taking account of restructuring and start-up costs of £3.6m.

Tax accounted for £35.3m (£32.8m) and minorities for £9.5m (£6.4m).

The absence of extraordinary debits this time left profits for 1984 at £64.7m, more than double last year's £32.2m.

Earnings per share improved by 6.1p to 23.4p and a final dividend of 3.85p (3.2p) lifts the net total from 4.7p to 5.5p per 25p share.

Coat's shares closed yesterday at 152p, a fall of 7p on the day.

With some recovery expected in the U.S. group chairman Mr Bill Coats looks to 1985 with confidence provided there are no substantial adverse exchange movements.

Commenting on 1984's results he says Europe showed a recovery in profits after reorganisations. However, the strong dollar had a detrimental effect on textile sales and profits in the U.S., with industrial threads particularly affected.

In the UK profits were only slightly ahead of 1983 but the figures were affected by a reduction in profit on disposals of fixed assets with most companies showing encouraging progress at the operating level.

In South America recessionary conditions continued but the business there held up well. The Africa, Asia and Australia region again recorded highly creditable results with profits advancing by 25 per cent.

Mr Coats says the precision engineering and diecasting business is proving to be the group's fastest growth area. [illegible] results were achieved worldwide.

The increase in interest charges was due to the higher level of debt from continuing investment and acquisition expenditures but the translation effect of overseas foreign currency interest payments was also a major factor.

A divisional breakdown of turnover and trading profits shows: leisure and craft products £303.3m (£230.1m) and £42.9m (£34.6m), retail shops/fashion wear £138.8m (£121.5m) and £10.1m (£11.2m), precision engineering and diecasting £125.6m (£84.5m) and £17.2m (£11.4m), home sewing £138.4m (£121m) and £24.5m (£23.9m), industrial sewing £188.2m (£164.1m) and £22.8m (£18.8m), yarns and fabrics £89.7m (£75.6m) and £5.2m (£4.6m) and leisurewear £106m (£94m) and £5.9m (£9.8m). Inter-company sales accounted for £14m (£11.7m) and central research and management expenses took £5.8m (£5.2m).

The UK's contribution to profits rose by only [illegible] at £26.3m but Europe chipped in £7.8m more at £17m and South America showed an improvement of [illegible] at £9.3m.

At year-end group borrowings less current investments and cash were £147.9m (£103.4m) with the movement arising as a cash flow deficit of £27.8m. Exchange gains added £13.8m and borrowings within companies acquired were £3.9m. This level of debt represents 31 (26) per cent of shareholders' and minority funds.

Mr Coats says the increase in the gearing percentage was entirely attributable to financing acquisitions.

Nabisco UK profit up 30%

Nabisco Group, the UK arm of Nabisco Brands, the U.S. biscuit, snack and breakfast cereals manufacturer, announced a 30 per cent increase in trading profit to £31.3m in 1984, against £24.1m.

Mr Basil Collins, chairman, notes that the rise comes after a 53 per cent increase in trading profit between 1982 and 1983. Nabisco, an unquoted company, acquired Huntley & Palmer Foods in 1982.

Trading profit as a percentage of turnover—up 8 per cent to £419.7m (£388.6m)—rose from 6.2 per cent to 7.5 per cent, a direct reflection of improved margins, says Mr Collins.

He says the figures demonstrate continuing progress towards a satisfactory level of growth and efficiency.

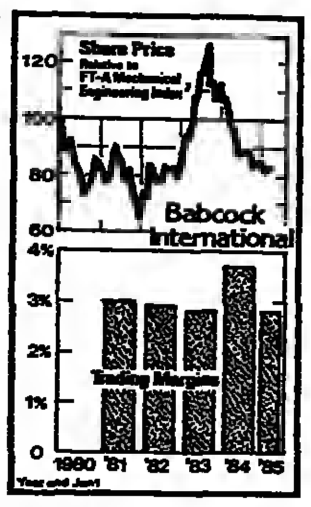
The group plans more capital spending in the current year, with the emphasis on new technology.

Mr Collins says the group is aiming for big advances in trading profits from increased sales and improved efficiency in the future.

UK COMPANY NEWS

Babcock declines to £31.6m as miners' strike takes its toll

THE IMPACT of the miners' strike on 1984 profits at Babcock International was severe and was the principal single factor in halting the advance that would have been achieved in continuing the growth trend of 1982 and 1983, states chairman Lord King.



After moving ahead from £14.04m to £16.02m at the half-way stage, the taxable surplus finished the year to December 31 last at £31.6m, compared with £34.1m, the miners' strike costing some £6.5m lost in respect of orders not placed or deferred, the chairman says.

Stated earnings per 25p share were down from 17.6p to 16.2p but shareholders are receiving a higher total dividend of 8p per share with a final payment of 4.3p. Adjusted for last year's scrip issue the comparative total last time was 7p.

Group turnover increased to £1.13bn (£1.02bn) while trading profits came through virtually £6m behind at £31.49m (£37.41m). Income from investments was £514,000 (£306,000), interest payable was similar at £6.03m (£5.63m) and associates' share of profits expanded from £1.99m to £5.63m.

A divisional split of both turnover and trading profits shows: UK power group £254.17m (£238.1m) and £10.7m (£14.2m); mechanical and process plant contracting group £76.58m (£91.22m) and £1.83m (£517,000 loss); industrial and electrical products group £100.23m (£108.41m) and £160,000 loss (£5.81m profit); overseas group £203.24m (£216.54m) and £1.97m (£5.5m); North American group £415.96m (£292.41m) and £15.35m (£10.69m); FATA European group £79.58m (£69.6m) and £2.05m (£1.87m); miscellaneous expenditure was £249,000 (£126,000).

Lord King point out that, for the first time since 1979, the UK companies were not the major contributors to group trading profits, this title going to the North American group which boosted its results by 43.5 per cent during the year. The chairman says there was further consolidation of the improvements achieved in 1983 and that "there is still considerable potential for additional profit in the future."

Activity in the UK power group was indirectly affected by the miners' strike, which is blamed in part for the £3.5m profit decline in this sector. The increase in turnover of this group was wholly attributable to the inclusion of PED, pipework engineering company acquired from the British Steel Corporation last July, and a full year's operations of Babcock Worsley.

The chairman says that current work in the UK power group carries narrower margins than the business it replaced and, despite rigorous cost reduction action, lower profits in this sector are unavoidable. However, improved trading results from the other UK operating companies should compensate, Lord King says.

He adds that the industrial and electrical products group holds the greatest potential for profit improvement, with the resumption of normal working in the businesses of the mining equipment division.

The chairman says that the cable controls and furniture, and automotive hardware businesses should again be the mainstay of the North American group.

See Lex

American Trust

Growth has been shown by the American Trust in the year ended January 31 1985. By the end of the year the net asset value had risen from 135.2p to 172.2p after prior charges at par, profit before tax was up by £2m to £7.36m and the dividend is raised from 2.5p to 2.9p net with a final of 1.85p.

Total income for the year came to £9.33m, against £6.28m, comprising investment income £3.8m (£3.43m), interest received £1.28m (£611,000), and other income £4.25m (£2.24m).

Fame Computers

Fame Computers, a privately owned supplier of microcomputer systems to the financial services industry, has received a £750,000 equity injection.

The investment was led by Equity Capital for Industry and CIN Industrial Investments, the National Coal Board pension funds' unquoted equity arm, of which both become large minority shareholders.

Fame will use the funds to expand its database and to design services

Public Works Loan Board rates

Effective March 27

Years	Quota loans repaid by EIP†	A‡	at maturity§	Non-quota loans A* repaid by EIP†	A‡	at maturity§
1	—	—	12¼	—	—	12½
Over 1, up to 2	12¼	12¼	12	13¼	13¼	12¾
Over 2, up to 3	12	12	12	13	13	12¾
Over 3, up to 4	12	12	11⅞	13	13	12⅝
Over 4, up to 5	12	12	11⅞	13	13	12⅝
Over 5, up to 6	11⅞	11⅞	11⅞	12⅞	12⅞	12⅝
Over 6, up to 7	11⅞	11⅞	12	12⅞	12⅞	12¾
Over 7, up to 8	11⅞	11⅞	11⅞	12⅞	12⅞	12⅝
Over 8, up to 9	11¾	11¾	11¾	12¾	12¾	12½
Over 9, up to 10	11¾	11¾	11⅝	12¾	12½	12⅜
Over 10, up to 15	11¾	11⅝	11¼	12½	12½	11⅞
Over 15, up to 25	11⅜	11¼	10⅞	11⅞	11¾	11⅝
Over 25	11	10⅞	10¾	11½	11⅜	11½

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

Recovery continues as DRG hits £26m

A GOOD second half has enabled the DRG stationery and packaging group to continue its recovery and produce its best figures for many years. For the whole of 1984 the profit before tax has risen by nearly £10m to £26m, and all businesses played a part in achieving the "encouraging progress."

Mr John Camm, chairman, says the company has strengthened its management, improved the financial position and the quality of the business portfolio.

He looks to progress both by organic growth and through acquisition, which DRG is actively seeking in related areas.

Balance sheet gearing was down to 34 per cent and a return on average capital employed in excess of 20 per cent was achieved.

In the second half of the year the profit surged ahead from £6.6m to £15.4m. Shareholders' dividend is raised by 1p to 7.5p net, their final being 4.5p with the option of taking shares.

Group turnover rose by £62.3m to £605.7m and the operating profit was ahead from £22.6m to £32m, with the UK contribution rising from £16.7m to £22m and the overseas from £5.9m to £10m.

There were exceptional credits of £500,000 this time, related companies contributed £880,000 (£700,000) and interest charges were held at £7.3m (£7.2m).

A breakdown of the operating profit showed that manufactured stationery accounted for £15m (£12.6m), packaging £10.4m (£8.7m), trading £3.2m (loss £1.3m), engineering £3.8m (£2.6m).

● comment

Over the past five years DRG has spent a lot of time and money—£150m of it—changing its business profile, the strategy being to get out of areas where it had no strategic strength and to position itself nearer to the customer. Last year alone it either sold off or closed five businesses, leaving a much tidier operation, a 20 per cent return on capital and a balance sheet no weaker than it was on entering the recession. This was despite the fact that raw material increases of up to 50 per cent made life very difficult in stationery and UK packaging took a slight knock. But other areas more than compensated, helped by a strong overseas performance. All the structural changes are now coming to an end, so the pressure is now on for the changed group to turn a defensive strategy into an attacking one. Pulp and paper prices have fallen back, so it should be easier to achieve real growth on the stationery side. Over in the U.S. the medical packaging acquisition should start making tracks after the reorganisation while over in France there will no doubt be an opportunity to fill a vacuum with a major competitor having gone into liquidation. At 175p, up 8p on this stronger-than-expected second half performance, the multiple is under 8—a rating which prefers to wait for this recovery stock to show its mettle.

Morgan Crucible up 58% and calls for £21m

RECORD PROFITS for 1984 and a £21m rights issue are announced by Morgan Crucible, the international manufacturer of materials and components for application in electrical, mechanical and electronic industries.

Boosted by a more than doubled contribution of £9.9m (£4.5m) from the carbon sector, taxable results rose 58 per cent for the 12 months ended December 30 to £15.5m, compared with £9.8m last time. The group's previous best was £15.1m for 1979.

At the midway point in 1984 profits had reached £7.3m, against £4.28m, and the directors said that prospects for the remainder of the year looked satisfactory as new products and acquisitions contributed to the group's more efficient base business.

The directors now say that there is further scope for "strong organic growth" through the group, as well as growth by acquisition in its existing product areas.

It is proposed to raise approximately £20.7m net, by an underwritten rights issue of 11,578,290 new ordinary 25p shares on a one-for-five basis at 185p per share.

The directors say they considered that the company's capital base should be widened and that it was appropriate to seek additional equity capital from shareholders.

Although the cash generated from the issue will assist the group's expansion, it will not be possible to finance internally all growth opportunities, the directors state.

As at December 30 last net borrowings represented 47 per cent of net tangible assets, and there has been an increase in borrowings since the year end, reflecting principally the expansion of the Australian interests and the depreciation of sterling against the dollar.

Cash flow projections, however, the directors say, show that in the absence of the rights issue and on the basis of current exchange rates, the gearing level at the end of 1985 would not be significantly different from that of 12 months earlier.

After 1984 tax of £5.6m, against £3.7m, earnings per 25p share are shown as 16.3p (10.7p) and shareholders are getting a higher dividend of 8p (7.5p) with a final payment of 4.3p—the rights shares will not rank for this distribution.

The directors state that, in the absence of unforeseen circumstances, they propose to at least maintain total 1985 dividends at 8p, on the increased capital.

Group turnover expanded from £160.3m to £199.3m and operating profits emerged at £20.2m, against £14.2m—margins improved to 10 per cent (8.8 per cent). Profits were split between: carbon £9.9m (£4.5m), ceramics £2.6m (£2.1m), thermic £3.2m (£3.8m), lubrication £3.9m (£3.1m), Acorn £0.4m (£0.7m), and investment income £0.2m (nil).

● comment

Tagged with the label of being cyclical and mature, Morgan Crucible has been working hard to broaden both its geographical and product base through a policy of acquisition. The corporate profile shows a broad measure of success, with sales now spread more evenly across the world and a product mix increasingly away from the dull areas of iron and steel and non-ferrous foundries towards more expanding markets in consumer durables, transport and public utilities, nuclear, aerospace and defence. With this rolling strategy in mind the company does not want to neglect any opportunities, so it is having to shore up the balance sheet with the £20.7m rights. As it happens, the timing is exactly right—the call comes when the return on capital—at over 20 per cent—is the highest it has been since 1978. This represents excellent progress by the new management but the main message from these figures is that shareholders cannot expect a similar rate of growth this year from the important carbon division. Improvements should be possible from the thermics and electronics divisions for a likely £18m pre-tax. The share price dropped 12p to 213p, an effective fall to 5p over the theoretical ex-rights price.

UK COMPANY NEWS

Burton tops £34m as swing to women gathers pace

THE Burton Group made further strong headway over the 26 weeks to March 2 lifting its pre-tax profits by £8.6m. All major retailing divisions contributed to the improvement.

Turnover pushed ahead from £198.05m to £263.92m, an increase of 33 per cent, with women's fashions accounting for a higher percentage than the men's.

The menswear businesses, taking in Burton and Top Man, raised their combined sales for the period by 31 per cent, with the womenswear divisions, comprising Top Shop, Dorothy Perkins, Evans, Peter Robinson and Principles, the latest addition, showing a higher percentage return of 35 per cent.

Mr Ralph Halpern, the chairman, says the successful half year was achieved by the continuing policy of targeting divisions on clearly defined sectors of the clothing market.

The increase in both sales and profits also benefited from performance related incentive schemes.

Trading profits improved from £25.19m to £34.62m and trading margins by 0.4 per cent to 13.1 per cent.

Pre-tax profits came through at £34.71m, compared with a previous £26.11m.

Earnings amounted to 12.3p (9.6p) after tax of £12.9m (£9.5m) and the interim dividend is being stepped up by 0.5p to 2.5p net per 50p share.

The Principles chain was launched in September 1984—there are now 32 shops trading, with another 11 due to open before year-end. Earlier this year the group said it planned to open 150 stores overall in 1984-85. In the previous year Burton opened 166 new stores, modernised 49, resited 17 and extended five.

● comment

By the time Ralph Halpern has finished with Burton Group, it will probably have a stake in almost every area of High Street fashion—and more besides. Its growth has continued apace in the first half to March 2 of this year, with pre-tax profits and sales up by a third. Volume in existing stores grew by an impressive 11 per cent and extra space added 17 per cent, while price inflation was a modest 3 per cent. But capital expenditure of £75m for the year is eating into cash resources; from a net cash position at the last year-end, Burton will move £20m into the red by the end of this year. Gearing is still negligible, but if the company wants to expand at the same rate and open its planned 600 extra shops, it will have to generate enormous amounts of cash to finance itself without recourse to shareholders. Perhaps this is what is on the market's mind, for a prospective p/e of 17 (assuming £75m for the year) does not seem excessive on a company which grows so fast. Yesterday, the shares rose 2p to 458p, more than double last year's low.

Mr Ralph Halpern

Tootal upholds defence forecast

Tootal, the textiles concern which is currently fighting a £124m cash bid from Entrad Investments of Australia, yesterday reported a 33 per cent increase in taxable profits for the 1984-85 year.

The result, up from £17.18m to £22.85m, was attained on sales ahead by £50.05m ahead at £435.36m.

Shareholders are getting a 24 per cent increase in the dividend through a second interim payout of 1.87p making a total 3.1p against 2.5p for the 12 months to January 31.

Thread operations accounted for the bulk of the profits improvement with an increase to £20.42m (£17.13m).

The profits are roughly in line with Tootal's circular sent out to shareholders in February. Although attributable profits also fell in line at £13.37m, against £10.04m, the company was left with a retained deficit of £18.08m (£2.8m) after extraordinary items which were shown in the interim report. Earnings are given as 7.5p (5.7p) pre-extraordinaries.

Pru hit by doubled underwriting losses

Prudential Corporation, Britain's largest life group, recorded a drop in pre-tax profits last year of more than one-fifth from £101.1m to £78m, following doubled underwriting losses of £161.4m against £76.9m on its general insurance and reinsurance operations.

Shareholders' attributable profits declined by a third from £68.9m to £45.2m, with earnings per share coming down from 23.1p to 15.1p.

However, shareholders receive an 18 per cent increase in their dividend payments for 1984 up from 19p to 22.5p.

The good news from the Pru was the rise in distributable surplus from the long-term business, which improved from £754m to £1.1bn in 1984, of which £1bn is allocated to policyholders and £136m to shareholders. However, the Pru is converting some of its terminal bonus payments to policyholders into a more permanent form resulting in a non-recurring surplus increase of £240m of which £24m went to shareholders.

However, underwriting losses on the general insurance and reinsurance operations soared from £76.9m to £161.4m, on premium income up 14 per cent from £690m to £788m—with an underlying growth rate of 7 per cent. Investment income of £81.5m failed to cover these underwriting losses and the general insurance operations had a pre-tax loss of £79.9m against the previous year's £7.6m.

The general insurance operations were hit by poor results on UK direct insurance business and the worldwide results of its reinsurance subsidiary Mercantile and General Reinsurance.

Underwriting losses in the UK more than doubled last year from £25.6m to £54.8m on premium income up 16 per cent to £279m (£240.7m).

The motor account losses rose from £6m to £9.5m with an unexplicable rise in numbers of claims in the final quarter.

The situation was even worse for M and G where underwriting losses climbed from £39.9m to £93.6m on premium income up only 4 per cent in real terms to £276.9m.

Elsewhere the Canadian operations showed a trading profit of £8m, even though underwriting showed a £1.3m loss against a £4.4m profit in 1983. There was an improvement in EEC operations lead by better results from the Belgium subsidiary L'Escaut.

● comment

A drop of one-fifth in pre-tax profits looks bad enough given the buoyant situation in the UK life and pension market. But the drop would have been far worse had the Pru not boosted the profit contribution from its massive life business by "reversionising" terminal bonuses paid to policyholders, that is by crediting an extra bonus to all policyholders. It also moderated the terrible deterioration in the results at Mercantile and General by introducing the practice of discounting reserves for a large section of its business. Despite these moves, the Pru cannot disguise the underlying weakness of its general insurance operations. Its bread-and-butter domestic insurance operations in the UK have been knocked badly off course, and its commercial insurance operations are a disaster area. Recent rate increases on motor insurance and household contents insurance will take some time to work through to the bottom line. The Pru is far more cautious this year in forecasting when the current round of rate revisions will generate a turnround in the underwriting results. Certainly there will be little improvement. At the end of the day shareholders will have to look for continued growth from the life funds to provide any further dividend increases. The share price rose 28p to 615p, after touching 625p, giving a yield of 5.4 per cent gross.

Britannia Arrow profits surge by 40% to £14.14m

A 40 per cent rise in pre-tax profits in 1984, from £10.06m to £14.14m, is reported by the financial services group Britannia Arrow Holdings.

A tax charge of £4m and £512,000 of minority interests resulted in a net profit of £9.58m against £7.57m last year, although various extraordinary items resulted in profits for the year reaching £15.86m against £8.73m in the previous year.

The results include contributions for varying periods from the group's recent acquisitions which makes comparisons with the previous year difficult.

Earnings per share excluding extraordinary items were 6.3p against 6.1p in 1983.

The group is lifting the dividend payment for the year to 2.5p against 2.2p in 1983 — a rise of 13.6 per cent.

Fund management profits for the year rose 25 per cent from £7.73m to £9.67m, with the U.S. operations showing strong growth. The inclusion for the first time of the merchant banking operation Singer and Friedlander contributed £5.7m for the eight months since acquisition out of a full year's pre-tax profits of £9.1m for 1984.

The life company subsidiary, National Employers Life provided £406,000 pre-tax profits against £285,000 in the previous year.

Investment income for the year fell slightly from £3.74m to £3.71m, reflecting the use of internal assets to part finance the acquisitions, while interest charges rose from £1.47m to £5.79m — the increase was mainly from servicing the £30m convertible stock issue last April.

As a result of the dramatic expansion of funds under management over the past three years, the fund management division has been divided into two operations: UK activities, which contributed £4.6m profits in 1984 from funds under management of £1.1bn; and a U.S. and International operation with profits of £5.1m from funds under management of £3.4bn.

Since the end of the year, the group has sold its investment in London Trust for £15.8m, giving a profit of £4.5m on the transaction. The proceeds of the sale are being used to repay medium-term borrowings.

● comment

The results from Britannia Arrow show that the group is digesting the various acquisitions made over the past two years in both the UK and U.S. but while the pre-tax line is shooting ahead the resulting earnings per share look rather flat. Its U.S. fund management operations moved well ahead last year with a doubling of the profit contribution, aided by a strong dollar. The UK fund management figures would have been even flatter but for a good final two months in 1984 on its unit trust operations. Singer and Friedlander showed a 6 per cent net profit return last year and is going to be one of the major growth centres for the group, while NEL has a number of projects to bring it into the fore as a unit-linked life company. The full benefits of the recent expansion should come through this year, but the share price of 100p up 1p, for a p/e of 15.9 still reflects bid prospects than growth potential.

BTR clinches £101m bid for Dunlop

By Charles Batchelor

BTR, the broadly-based conglomerate, yesterday clinched its £101m agreed takeover bid for Dunlop, the tyre and rubber products group, with an announcement that it had won acceptances from the holders of more than 50 per cent of Dunlop's shares.

BTR said it had more than half of both the ordinary and preference shares under its control and it declared the bids for both classes of share unconditional as to acceptances.

The two companies brought their fierce seven-week takeover battle to a surprise end on March 8 when they reached agreement on a higher BTR offer. BTR originally offered only £44m for Dunlop's ordinary and preference shares but it raised its bid when Dunlop disclosed more details about its financial position.

Dunlop announced on March 13 that it had halved its overall loss to £88m in the year ended December 1984, from £166m the previous year. It had ordinary shareholders funds totalling £58m at the end of 1984, down from £110m a year earlier.

BTR put in its bid for Dunlop on January 18, only days after Dunlop had reached agreement with its bankers on a £142m refinancing package. This was intended to free the company from the massive debt burden caused by the losses of its European tyre-making business.

Low & Bonar sells transformer stake

Low and Bonar, the diversified Scottish industrial group, has sold its heavy transformer and switchgear interests to National Industri of Norway for £2.23m cash. Also, £1.43m in dividends has been drawn by Low and Bonar from its main transformer subsidiary, Bonar Long, since November 30 when its book value was £3.59m.

Bonar Long makes large transformers and switchgear for power station and industrial use. It is not as large as GEC, Hawker Siddeley or Northern Engineering Industries in this sector, but has annual turnover of about £12m, employs 400 in Dundee and exports over one-third of its output. Profits from UK operations were £489,000 in the year to November 30 1984.

National Industri, which is seeking to build up its electrical equipment business, is also buying Bonar Long's 60 per cent stake in Bonar Cruicksbank Power Engineering, its 35 per cent interest in Malaysia Transformer Manufacturing, and 40 per cent stake in Lanka Transformers in Sri Lanka. No redundancies are planned.

Low and Bonar said the sale continued its strategy of disposing of businesses no longer central to its future development.

Mitchell Construct. seeks legal advice

By Richard Tomkins

Construction Holdings, the civil engineering group which went into receivership 12 years ago, aim to take legal advice on the possibility of winning compensation from the parties alleged by Mr David Morrell, the company chairman, to have been connected with its downfall.

Mitchell Construction Holdings went into receivership as a result of mounting losses incurred by one of its subsidiaries, Mitchell Construction Kinnear Moodie, on a £12m contract it secured to build the North Bank Power Station at Kariba, Zambia. The group previously employed 5,000 and had a turnover of £50m a year.

The subsidiaries were put into liquidation but the holding company had no trading debts of its own and was returned to Mr Morrell, its sole remaining director, last year.

Mr Morrell has since compiled a 106-page confidential report on the events leading up to the failure of the Kariba contract and Mitchell's subsequent receivership.

Mr Morrell sent his report, or an abbreviated version of it, to all 2,000 shareholders and asked them to attend a meeting in London yesterday. Forty came and supported a move to ask all shareholders with a holding of over 50,000 shares to contribute ½p a share towards the estimated £10,000 needed for leading counsel's advice.

He claims millions of pounds are at stake and hopes to have counsel's opinion by June.

Three of the biggest shareholders, apart from Mr Morrell and his family, are Pearl Assurance, Prudential Assurance and the Church Commissioners. None would comment yesterday.

£1.3m for STC plant

The Milford Haven plant of STC, which produces small electrical appliances under the Consort brand name, is the subject of a £1.3m management buy-out.

The deal was arranged by Charterhouse Developments and Barclays Bank and the management will have a major share of the equity. The new company will be called Equipment Products and sales are projected to rise from £4m to £5m in the current year.

Murray Ventures

Murray Ventures net asset value per 25p share was 373.91p at the end of the half year to January 31, 1985, compared with 302.26p at July 31, 1984. The net interim dividend is raised from 1.05p to 1.5p. Earnings per share were 5p (4.96p).

Net revenue moved up from £176,000 to £313,000, after tax of £187,000 (£102,000).

New era for Stock Conversion

BY MICHAEL CASSELL, PROPERTY CORRESPONDENT

Stock Conversion, the UK's fifth largest property group which has been a widely-tipped takeover target since the death last year of Mr Robert Clark, its chairman and co-founder, yesterday gave notice of its intention to remain independent.

The group, which has a mixed investment portfolio valued at over £200m and centred mainly on London and Glasgow, announced that Mr Joe Levy, who acquired Stock Conversion with Mr Clark in 1951, is retiring from the board. He will become president.

It was also announced that Mr Peter Levy, the elder son of Mr Joe Levy, has been appointed a director. Mr Levy, who is 45, has been a senior partner in D. E. & J. Levy, the London surveyor and property consultant.

The Levy family and related trusts own 10 per cent of the equity in Stock Conversion. Last night, Mr Peter Levy said: "Joining the board reflects my family's continued confidence in the present management which has built Stock Conversion into a financially strong and enterprising property development and investment group.

"I am confident in their ability to ensure the long-term, profitable and independent growth of the group."

Mr Harry Norris, who replaced Mr Clark as chairman, said the board changes represented "an important milestone for the company." He added: "The naming of Joe Levy as president and his son's appointment to the board mark the end of one successful era and the beginning of another."

CDI bids for Times Veneer

Corporate Development International (Holdings), a private investment holding company, yesterday announced an agreed £1.4[illegible] cash bid for Times Veneer, manufacturer of furniture and processed wood products.

Veneer is run by the Berman family, who are selling their 50.39 per cent stake at a price of 20p per share. Corporate will make a cash offer for the remaining shares. The Bermans, however, will retain nearly a 15 per cent stake in the company following a rights issue once the offer is completed. The issue will be four new shares for every five held at a price of 10p and should raise £563,000 before expenses.

Veneer's shares almost halved at one point yesterday but closed unchanged at 45p, well above Corporate's cash offer. Mr Alan Berman, a Veneer director, said the high price was due to market speculation about the bid.

Corporate, run by Mr David Burke, a former financial journalist, has majority interests in two other wood products companies, Dura Mill and Kraft Productions. Last year, Veneer made pre-tax profits of £42,000, its first profit for three years.

Park Place bid value Trident at £2m

Park Place Investments, a holding company with interests in financial and computer training, is making an agreed £2m offer for Trident Computer Services, computer staff agent and distributor of computer peripherals.

Park Place said the acquisition was in line with its strategy to extend its training division and would enable Trident's business to expand significantly.

Terms are one Park Place share, which closed yesterday at 161p, up 4p, for every two Trident shares, which ended at 76p, up 6p. The share offer values Trident at £2m. There is a 75p cash alternative, valuing Trident at £1.9m.

Park Place already has irrevocable acceptances covering 78 per cent of Trident's equity.

Mr John O'Sullivan will retire as Trident joint managing director, but Mr Michael Bull, his fellow managing director, will continue to operate Trident's business.

Trident shares were placed on the USM at 90p in 1981, but its profits declined for the next two years. Pre-tax profits fell to £125,000 (£181,000) in the first half to January 31 1985 on turnover of £2.3m (£1.8m).

Cecil Gee profits fall but prospects 'good'

Cecil Gee, USM-quoted retailer and designer of menswear, reported lower pre-tax profits of £822,000 for the year to December 29 1984, against £1.08m previously.

The company, which has close status and only pays a single dividend each year, is raising the 1984 payment from 2.1p to 2.8p per share. Stated net earnings per 10p share are shown virtually unchanged at 8.9p (8.8p).

Trading so far in 1985 has been well up to budget, the directors say, and prospects for the rest of the year are good.

For 1984 turnover rose from £16.46m to £20.65m, although operating profits were down at £780,000 (£1.1m). This figure is after exceptional stock write-down of £595,000 and other operating expenses of £9.18m (£7.05m). It also includes a £615,000 (£42,000) surplus on the sale of a property.

Tax took £44,000 (£334,000).

Hoskin SHT

Scottish Heritable Trust states that following the recommended offers for Hoskins and Horton the requisite number of acceptances have now been received in respect of the increased ordinary offer and SHT accordingly intends to acquire compulsorily the outstanding ordinary shares.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims:—Attwoods, British Car Auction, Britannia Security, James Halstead, LWT, Lucas Industries, C. H. Pearce, Reliable Properties, Staffordshire Potteries.

Finals:—Amari, Berkeley and Hay Hill Investments, Bridon, Brown Boveri Kent, Central Independent Television, Charterhouse Petroleum, Desoutter Brothers, Estates and General Investments, Friedland Doggart, Grampian Holdings, John I. Jacobs, Kode International, Ladbroke, Legal and General, Linread, Manders, Bernard Matthews, Municipal Properties, Peninsular and Oriental Steam Navigation, Thomas Robinson, Silkolene Lubricants, Squirrel Horn, Superdrug Stores, Tricentrol, United Newspapers, Vectis Stone, Woolworth.

FUTURE DATES

Interims:—	
Beckman (A.)	Apr 3
Dowding and Mills	Apr 11
Druck	Apr 4
Glaxo	Apr 15
Klark-Teknik	Apr 23
Ramus	Mar 29
Finals:—	
Associated British Ports	Apr 3
Bank of Scotland	Apr 22
Braime (T. F. and J. H.)	Apr 10
Clay (Richard)	Apr 1
Exeter Bldg. & Construction	Apr 4
Gaskell Broadloom	Apr 4
Industrial Scotland Energy	Apr 3
Oilfield Inspection Services	Mar 29
Ramco Oil Services	May 1
Relyon	Mar 29
Thurgar Bardex	Apr 3
Waverley Cameron	Mar 29
Wood (Arthur) (Longport)	Apr 2

COMPANY NEWS IN BRIEF

Armitage Brothers, manufacturer of pet products, reported pre-tax profits of £366,000 in the 28 weeks to December 15 1984 against £349,000. Turnover was up at £8.59m against £7.44m. Earnings per £1 share were 56p against 39p.

* * *

Despite taking account of start-up costs and interest charges totalling I£336,000 in connection with development projects in U.S. joint-venture companies and an exceptional provision of I£522,000 the Rohan Group raised its 1984 pre-tax profits from I£2.38m to I£3.23m.

A final dividend of 6.9p maintains the net total at 12.75p on the increased share capital.

Turnover declined from £26.94m to £25.03m—the group, based in Dublin, is an industrial estate developer, property investor and building contractor.

Net profits improved to £4.91m (£1.79m) after a tax credit of £1.58m (charge £591,000).

* * *

Premiums written on Trade Indemnity's three underwriting accounts open in 1984 increased by 29.2 per cent to £57.67m. On the 1982 underwriting account the company swung from losses of £112,594 to profits of £1.17m which together with a 35.3 per cent increase in investment income of £2.45m pushed group pre-tax profits up from £1.7m to £3.61m for the 1984 year.

A final dividend of 4.688p lifts the net total by 12.5 per cent to 8.4384p. Earnings amounted to 27.43p (11.83p) per 25p share. Trade Indemnity is a credit insurance concern.

* * *

Frogmere Estates, property developer and investor, increased pre-tax profits by 15 per cent in the six months to December 31 1984, although turnover fell by 12.7 per cent.

Pre-tax profits were £4.63m (£4.02m) on turnover of £17.07m (£19.56m). Earnings per 50p share were unchanged at 8p and there is an interim dividend of 1.768p (1.607p).

* * *

TraveLodge International of the U.S., part of Trusthouse Forte, reports a 13.6 per cent increase in sales to $23.66m (£20.14m) in the quarter ended January 31 1985 against $20.83m. Net income increased 9.8 per cent to $750,594 (£638,803) against $683,712.

* * *

City of Aberdeen Land Association, housebuilder and property developer, lifted pre-tax profits from £130,000 to £619,000 for the six months to December 31 1984. Turnover was £8.19m, against £8.66m.

Hitherto, house completions and profits have been heavily concentrated in the second half, but this time the imbalance is likely to be less marked, the board states.

Partly to reduce disparity, the interim dividend is hoisted to 6p (adjusted 3.86p). The board says it should prove possible to improve on the minimum 16.5p, on increased capital, already forecast for the full year. Earnings per 50p share were 21.7p (5.2p).

* * *

Rock, dealer in engineers' consumable supplies, turned a pre-tax loss of £274,186 in 1983 into a pre-tax profit of £72,458 in the year to December 31 1984.

Turnover was up 39 per cent at £5.85m (£4.2m) while extraordinary debits fell to £32,314 (£508,258) reflecting the final costs of reorganisation. Earnings per 10p ordinary share were quoted at 0.44p (1.82p loss) and no dividend has been declared. The latest dividend was paid in 1979.

Directors expect profits to be raised substantially during 1985 provided current trends continue.

* * *

Chieftain Industries, a Scottish maker of heat pumps and heating appliances, is asking investors for up to £816,000 through a share offer under the Business Expansion Scheme.

The funds are to be used to increase production of Chieftain's existing products and to reduce borrowings. The offer is sponsored by the Edinburgh issuing house, Clarke Farquharson & Partners.

Sharp fall expected at Minorco

BY KENNETH MARSTON, MINING EDITOR

A SUBSTANTIAL reduction in full-year net profits is forecast by Minerals and Resources Corporation (Minorco), the Bermuda-registered international investment arm of South Africa's Anglo American Corporation—De Beers group, which earned U.S.$1.28 per share in 1983-84.

An unchanged interim of 6 cents is declared and Minorco expects to maintain the year's total at 22 cents.

First half earnings before extraordinaries fell to $62.4m (£51.5m) from $75.4m a year ago.

Because of sterling's weakness the U.S. dollar value of dividends declared on the holdings in Charter Consolidated and Consolidated Gold Fields declined by 15 per cent while interest income was lower in line with smaller cash balances and reduced interest rates.

The share of undistributed earnings of investments accounted for by the equity method has also fallen, largely because of the decline in earnings of Phibro-Salomon and Charter.

Adding to the tale of woe on the latest occasion are the extraordinary items which take the form of a $40.4m debit. These represent Minorco's share of Charter's losses arising from its investments in John Matthey and Cape Industries and of Engelhard Corporation's losses on the closure of refinery operations.

A year ago there was an extraordinary gain which largely reflected the sale of part of Minorco's holding in Phibro-Salomon.

Taking all items into account, Minorco comes out with latest half-year net earnings of $22m, or 13 cents per share, compared with $205.7m last time.

Pointing to the impact of low base metal, energy and commodity prices plus non-recurring charges on its North American investments, Minorco expects that its share of the undistributed earnings of investments for the full year to June 30 may amount to less than that of the first half.

● comment

About the only comfort to be provided by the latest results is Minorco's continuing strong financial position with shareholders' equity of $1.9bn and debt of only $36m. The investments are quite well diversified, albeit of questionable quality in some cases. But this basically natural resource group remains burdened with the adverse effects of a strong dollar and low metal prices, particularly in the case of the Inspirational Resources' mining activities. Until there is a marked change for the better in this scenario, it is difficult to work up any enthusiasm for the shares which after falling 50p yesterday to 700p yield under 3 per cent.

DIVIDENDS ANNOUNCED

Aldcom	1	July 1	0.8	1	0.8
Associated Book	6.25	May 22	4.75	10	7.5
Babcock Intl.	4.3	—	*3.91	8	*7
Banro	3.73	May 16	2.73	4.3	3.3
Ben Bailey int.	0.25	July 4	0.8	—	1.8
BAT Industries	6.25	July 2	4.88	10.3	8.25
Blue Bird Cfct. int.	1.6	April 19	1.52	—	4.26
Britannia Arrow	1.4	—	1.2	2.5	2.2
Britannic Assce.	17	May 16	15.01	25.5	21.8
Bryant Holdings int.	1.1	May 16	1	—	3
Bunzl	4.25	July 1	3*	7.5	5.5*
Burton Group int.	2.5	—	2	—	6.5
R. Cartwright	5	May 17	4.25	6.5	5.75
Coats Patons	3.85	July 1	3.2	5.5	4.7
Charterhall int.	0.6	July 9	—	—	0.6
DRG	4.5	July 1	3.5	7.5	6.5
Frogmore Estates int.	1.77	—	1.61	—	6.15
Cecil Gee‡	2.8	—	2.1	2.8	2.1
Gibbs and Dandy	1.58	May 17	1.4	1.58	1.4
Jantar	2.5	—	0.5	2.5	0.5
Metal Closures	4.5	May 20	4.1	6.7	6.3
Morgan Crucible	4.3	—	4	8	7.5
Ocean Transport	3.35	June 3	2.35	5.5	4.5
Prudential Corpn.	15	May 30	13.5	22.5	19
Rea Bros.	0.8	April 30	0.8	1.25	1.25
Rotork	2.4	May 24	2.1	4.5	3.85
Supra	1.25	May 24	1.15	2.05	1.9
Tharsis¶	8	June 10	4	10	6
Tootal 2nd int.	1.87	—	1.4	3.1	2.5
W. A. Tyzack int.	0.6	May 22	0.5	—	1.5
VG Instruments	1.2	May 31	—	1.8	[illegible]

Dividends shown pence per share except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Gross throughout.

UK COMPANY NEWS

All round recovery boosts Ocean Transport 300%

CONTINUED recovery in the second half has enabled Ocean Transport & Trading to report pre-tax profits of £28.7m for 1984, a rise of nearly 300 per cent on the previous £7.2m.

The second half of the year contributed £18.2m to group profits, against £8.1m, and the final dividend is being stepped up to 3.35p (2.35p) per share, bringing the year's total to 5.5p (4.5p).

Stated net earnings per 25p share were shown at 16.8p against losses of 3.8p, and on a nil distribution basis at 18.2p against losses of 2.7p.

Looking ahead Mr William Menzies-Wilson, the chairman, says that 1985 will be a year of increasing competition for the container shipping interests. However, overseas containers, OCL, the group's main associate, is better equipped, he says, than most others, to compete.

In addition, Barber Blue Sea will have the benefit of operating for a full year with its versatile roro fleet, he says.

The chairman is confident that Ocean Inchcape's wide spread of businesses and services will help to counter the effect of a depressed supply boat market which has affected the profitability of many other companies operating in this sector.

While trading in Nigeria remains difficult and the board cannot be optimistic about a significant improvement in 1985, he says that they remain confident that the West African businesses will return to satisfactory profitability.

Overall, in view of the continuing highly competitive nature of the shipping industry he says that it remains the board's strategy to concentrate on the development of the group's non-marine activities, both through organic growth and by further investment.

Ocean Cory's profits of £13.7m are better than the previous year's £15m after adjusting for some exceptional profits in 1983. This improvement would have been greater, Mr Menzies-Wilson says, but for the miners' strike and associated dock strikes.

The strategy of concentrating resources led to a number of acquisitions and to the sale of two small businesses in 1984. The benefits of these investments will show through in the current year, he says.

The group's worldwide freight forwarding business, MSAS, had its best year to date, and the development of Cory Waste Management continued. The chairman is confident that Ocean Cory will continue to make steady progress.

Ocean Marine managed an improvement largely as a result of actions taken in 1983 rather than through improved trading conditions. Marine companies contributed £14.7m (£3m), mostly from OCL. The other marine businesses are still not profitable.

O.I.L. increased its contribution to profits from £3.1m to £5.3m.

Group turnover totalled £779.8m (£659.7m).

● comment

Ocean's results are a much needed improvement on the dark days of 1982/83 and attest to the rationalisation efforts of a traditional shipping company that now sees few growth prospects in a glutted shipping market. But the figures have signally failed to impress a market hoping for both a higher dividend and fatter profits. Stripping out gains from ships sales and extraordinary losses from associate OCL, Ocean made £23m at the pre-tax level, and a large slice of that came from OCL. The Cory subsidiary—on which Ocean is pinning much of its long-term hopes—produced lower trading profits, but with the miners' and dock strikes stripped out, the trend is positive. The balance sheet looks in reasonably good shape, with a debt equal to 50 per cent of shareholders' funds. This year Ocean could achieve £27m (excluding ship sales). OCL apart, the marine businesses will contribute little or nothing, though Barber Blue may be on the point of a useful rationalisation agreement with rivals. That main growth will have to come from Cory (about to reap the benefits of a GLC waste disposal contract) and OCL, which is enjoying a good first half. OCL, however, is vulnerable to both a declining dollar and growing competition from Evergreen and U.S. Lines, which may mean a troubled outlook for 1986. The historic yield is 4.9 and the p/e of 9.5 at 163p is probably about right.

Bryant lifts profits 19% despite dull markets

DESPITE DIFFICULT market conditions, Bryant Holdings, which is involved in property investment, homes and property development and construction, lifted its pre-tax profits by 18.6 per cent from £4.73m to £5.61m in the half year ending November 30 1984.

The interim dividend is increased by 10 per cent to 1.1p. Last year a total of 3p per share was paid on total taxable profits of £11.3m.

Since the start of the current half the directors have welcomed the abolition of development land tax and the statement on VAT in the Budget. Although the mortgage rate rise "is not beneficial" to the company, it is more likely to affect the next financial year than this one, they say.

Despite the slow start to 1985 due to bad weather, they hope to produce "creditable results" for the full year.

For the first half the directors report that the construction division operated profitably in a very difficult market. The company maintained a "reasonable level" of turnover, and also had the benefit of ongoing settlements from earlier contracts.

In a property market depressed by present economic constraints they say that lettings have been slow.

On the homes side the directors report a "satisfactory" half year. During

The group was able to make some successful land purchases, however, which gives directors confidence for the future.

On turnover ahead by £10m at £65m, the group achieved an operating profit of £5.2m (£4.55m). Associated companies added £510,000 (£290,000).

After tax charge of £2.53m (£1.66m), net profits emerged at £3.09m (£3.08m).

Elders IXL

Elders IXL's finance subsidiary has acquired assets in two UK finance houses for an undisclosed sum.

Elders Finance has acquired Keep Brothers, which will be renamed Elders Keep, and will concentrate on short-term revolving import finance. It has also acquired Selected UK and South-east Asian operations of Gillespie Brothers. Some of the operations will be merged into Elders Keen.

Charles Batchelor looks at the benefits Norcros will gain from UBM

Building up an even bigger showcase

THE £113m agreed takeover bid by Norcros for UBM will give the building materials group a sizeable shop window for its products—ranging from concrete slabs to £5,000 conservatories. UBM—formerly United Builders' Merchants — has nearly 90 branches around the UK which will form an ideal outlet for its new partner.

The combined manufacturing and marketing skills of the enlarged Norcros should allow the company to withstand the periodic ups and downs of the building industry better than most, according to Norcros chief executive, Mr Terry Simpson.

"The combination of UBM's marketing and selling force with ours will allow us to provide a package to architects and consulting engineers," he said. "We can give UBM an entrée into the building sector while they will involve us in distribution."

This should give Norcros a broader base in a sector where most companies concentrate on either the manufacturing or the merchanting side.

One strong argument for separating the two roles is that a manufacturer should not be seen to compete with its customers by running its own builders' merchants outlets. Blue Circle, the cement-maker, disposed of its small merchanting arm a few years ago for precisely this reason.

But Mr Simpson said he had seen no sign of customers switching suppliers since the prospect of Norcros buying UBM was first raised by Norcros's initial unsuccessful bid in August 1983.

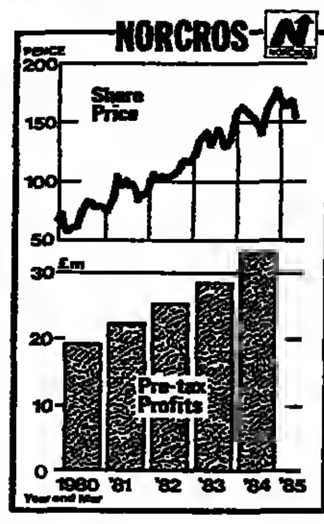
Norcros plans to allow UBM to retain a large degree of autonomy to meet this objection.

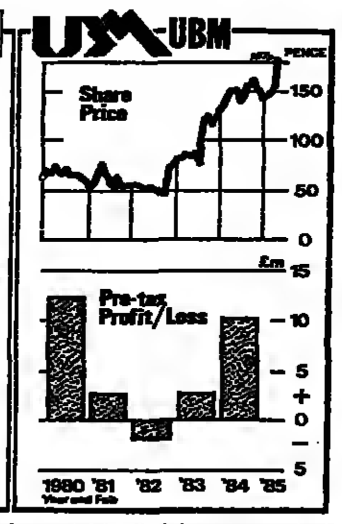
UBM's branch network, which is particularly strong in the North-East, South and South-West, will help solve one of the main problems facing a maker of bulky building components—how to cut transport costs.

Not all of Norcros's product range can be manufactured locally but some items could be produced on UBM's sites and delivered economically to the local market. Concrete slabs is one area Norcros is looking at.

Norcros has also been looking for extra outlets to display its range of conservatories. With prices ranging from £500 to £5,000 customers want to see what they are buying. Norcros already uses about 100 garden centres around the country to show these products but UBM's branches would give Norcros an even bigger showcase.

Mr Ken Roberts, chairman of Norcros





Mr Allen Sheppard, chairman of UBM

On the manufacturing side Norcros has considered building its own toughened glass plant to supply windows for its Crittalls window frame subsidiary. It has never gone ahead because it would have no outlet for the glass it could not use itself. UBM's glass division has three factories making toughened glass in the Midlands.

Even if Norcros is able to exploit both the broader and more specific opportunities it sees in UBM, it is paying dearly for its failure to clinch its original takeover bid in 1983.

The strength of UBM's recovery and the buoyancy of its share price has forced Norcros almost to double the value of the £64m offer made in August of that year. Norcros subsequently increased the value of that first bid to nearly £76m in September 1983. But this added acceptances from the holders of only 6.6 per cent of UBM's shares to Norcros's existing stake of 36.5 per cent and the offer lapsed.

Norcros has been permitted under the Takeover Code to renew its bid for UBM anytime since last October. But despite frequent contacts between the two boards they only resumed serious discussions two to three weeks ago.

Yesterday's announcement of the bid agreement was hurried by the 21p rise in UBM's share price on Monday. This led to the suspension of both companies' shares on Tuesday.

> 'We have done a lot of the negative things that had to be done to rationalise UBM. But there is a lot more to be done.'

Norcros is offering seven of its own shares and 840p cash for every 10 UBM shares, or a cash alternative worth 189p per share. The new Norcros shares will rank for the expected final dividend of 6p on the year ending March 1985.

Norcros is also offering 95p cash for each of UBM's 495,476 £1 5¼ per cent cumulative preference shares.

If the ordinary offer is accepted in full it will lead to the issue of 27.7m new Norcros shares, representing 22.3 per cent of Norcros's enlarged capital, and payment of £33.3m in cash.

At the offer price, which has now been agreed, the purchase would dilute Norcros's 1984-85 earnings but the combined profits the enlarged group expects to make in the year ending March 1986—excluding any incremental benefit of the takeover—will not be diluted.

Norcros's borrowings currently amount to 30-35 per cent of shareholders' funds. These will increase to about 55 per cent as a result of the takeover but are expected to fall to about 40-45 per cent in March 1986.

Norcros forecast that pre-tax profits will rise by just £1m to about £34m in the year ending March 31 while earnings per share will rise to about 20p from 19.64p.

The company will, however, take an extraordinary charge of £5m to meet the cost of rationalisation within its loss-making engineering division.

It has closed its Lion Foundry in Glasgow, which was hit by British Telecom's decision to move from cast iron to glass-reinforced plastic telephone boxes, and has taken remedial action in its mechanical handling business, which was affected by the miners' strike and overtime ban.

In the year ended March 1984 Norcros made a pre-tax profit of £33m on turnover of £328m. UBM has recovered strongly from its pre-tax loss of £2m in the year ended February 1982 after the arrival of Mr Roger Pinnington, the chief executive, in August 1982.

It estimated pre-tax profit rose to about £13.5m in the year ended February 1985, compared with £10.2m the year before, though analysts had been expecting profits of £15m. It is now in a net cash position compared with gearing of 50 per cent in mid-1982.

The company has tightened up financial and management controls over the past four years and shut down 35 inefficient or overlapping branches.

It sold its small scaffolding business to British Electric Traction last October and revealed yesterday it is disposing of its 51 per cent stake in Neiman-Reed Lumber & Supply, a Californian retailer of home improvement and garden products, for $6.25m, payable over five years.

UBM has now been reduced to three core divisions: building supplies, glass and vehicle distribution, comprising five Ford main dealerships.

"We have done a lot of the negative things that had to be done to rationalise UBM," Mr Allen Sheppard, the chairman said. "But there is a lot more to be done in, for example, marketing. What Norcros has to do now is get some excitement into their business. They must get themselves re-rated by the stock market."

Assoc. Book celebrates deal with £9m profit

BY LIONEL BARBER

Associated Book Publishers, which produces the best-selling Adrian Mole series aod legal and scientific titles, yesterday announced a record 36 per cent rise in pre-tax profits to £8.6m.

Associated, which has made a recommended £4.4m hid for rival publishers Routledge & Kegan Paul, also announced a final dividend of 6.25p, making a total dividend of 10p, a 33 per cent rise on last year.

News of the growth in profits pleased the market and Associated's shares closed at 480p last night, up 7p.

Mr Peter Allsop, chairman, said 1984 had been a record year for the group. Sales advanced 23 per cent from £57.3m to £70.6m. As a measure of the group's confidence in future prospects, the directors were recommending e one-for-one scrip issue.

Among the highlights in the year's results were a much improved perfomance in the group's Australia and New Zealand operations. Trading profits were up 84 per cent from £772,000 to £1.63m, e result of more efficient distribution helped by spending on computers.

Associated's trading is heavily weighted towards exports, covering some 70 per cent of sales. Mr Allsop said the decline in sterling had helped considerably group turnover was np hy £5.8m and overseas earnings np by £700,000, purely as a result of exchange rate movements.

In the UK, Associated saw publishing profits up 63 per ceot to £3.6m, helped hy an exceptionally strong year for legal titles and the two Adrian Mole hooks whicb have already sold more than 2m copies in hardback and paperback.

However, Mr Allsop said some of these gains had been offset by the Canadian operations' performance, where trading profits were down from £3.38m to £3.43m, a result of poor trading climate and non-recurring costs.

Yesterday, hoth Mr Allsop and Mr Michael Turner, group managing director, were enthusing about the prospect of acquiring Routledge & Kegan Paul, which they described as a "tremendous huy." Last Monday, the Routledge hoard advised by Morgan Grefell, recommended Associated's earlier shut-out hid after the controlling Franklin family sold out his 52 per cent interest.

● comment

Associated's figures show there is plenty of money to be made in publishing if you can spot a best seller (Adrian Mole) and market properly the rest of wbat ls ohviously a good catalogue in legal, scientific and educational books. The hig test will come when it tries to integrate Routledge and Kegan Paul's operations. Associsted believes that Routledge will give it a genuine worldwide presence with America the key market. Tho group's heevy dependence on exports and the fact that it got its fingers burnt in the U.S. five years ago should mean it has the experience to make a successful plunge. Both group's have a complementary academic catalogue though much will depend on goodwill of staff to work under the Associated hanner. In addition, there is apparently weakness in Routledge's distribution network. The favourable exchange rate has, of course, belped profits. Associated feels comfortahle at $1.30 to the pound so an upward moving sterling needs to he watched carefully. The share's rose 7p to 480p where tho p/e is 13.3 and the yield is less than 3 per cent.

Turnround in UK helps Carpets Intl. into profit

WITH the most encouraging feature being a return to profitability of the UK carpet operations in tho second half, the Carpets International gronp reports a recovery to a profit of £1.42m for 1984. This compares with a loss of £630,000 incurred in 1983, and represents a favourablo swing of £7m over the last two years.

Howevor, the company is not yet returning to the dividend list. Chairman Mr R. C. Anderson says serious consideration was given to sucb a move but it was felt that nriority should continue to be given to the process of full recovery, and that the cash flow requirements of the current year should he recognised.

Looking ahead he sees new opportunities for profitable growth based on tho firmer foundation now secured. The balance sheet is "noticeably stronger" with s major reduction in borrowings from £18.35m to £13.23m, renresenting a deht/equity ratio of 45 per cent, compared with 69 per cent and 95 per cent respectively in the nrevious years. And wben the Malaysian subsidiary becomes an associate (the transaction is in hand) borrowings will be further cut to £9.91m and nrodnce a 34 ner cent debt/equity ratio.

At the end of 1984 net assets employed stood at £30.47m, compared with £27.8m, of whicb shareholders' funds were £29.25m (£26.31m).

In 1984 turnover of the group, which manufactures Kosset, Gilt Edge, Crossley and other carpet hrands, fell from £81.44m to £73.25m, primarily because of the disposal of the tile division. UK carpet sales were almost at the same level, hut the chairman emphasises that this represents "substantial progress" in executing a deliherate policy to ollminate the sale of nonprofitable lines ot the lower end of the range.

As to tho profit, Europe carpets—mostly UK—incurred a loss of £750,000 (loss £3.27m) while the contribution from tiles was down to £260,000 (£530,000). Overseas relurns were America £1.97m (£2.12m), Asia lost £910,000 (loss £120,000) before crediting £550,000 (£20,000) minority share of net losses.

● comment

Interface's latest figures sport somo self-inflicted wounds—new computers with attendant horror stories and some poor performing acquisitions that need turning round—but though lts profits are lower, even in sterling terms, the contribution as an associate does a fine job in propping up Carpet International's accounts. But associato profits do not mean very mncb in terms of cssh flow, tho income stroam is very small, and again CI boldors go without a dividend. Actually CI is haullng its UK carpet activities into the hlack, there was a small profit in the second balf, but tho directors admit it conld be two years before the domestic business realises its full potential. Interface, however, is recovering strongly and, say, a £2.8m contribution this year conld lift CI to around £3.7m pre-tax. The halance sheet is in fairly good shape, after the Malaysian company is shunted off to associate status capital gearing drops to 34 per cent. Bnt the market's caution is summed up in a share price of 50p, par valne, which is just ahout equal to half the current market worth of CI's investments in listed securities—24.6 per cent in Interface and 34.5 per cent of the Thailand company.

Bespak cash call for £4.6m

AEROSOL VALVE msnufacturer, Bespak, is calling on its shareholders for a fresb injection of capital with a one-for-four rights issue at 178p per cent, raising £4.59m after expenses.

The issue, which is underwritten by Hambros Bank, is being made to rednce sbort-term borrowings and provide "flexibility to invest further."

With tho issue comes a directors' forecast that profits for the full year will be at least equal to the £2.1m pre-tax achieved in the year to November 1983. When reporting a near 32 per cent jump in interim profits to £1.38m last January the company wsrned that a cuthack by a major customer, Glaxo, would damage second half profits leaving a virtually static year.

The final dividend will, however, he lifted from £2.25p per share to 2.5p making a total for the year of 4.25p compared to 3.75p.

Somo of the shares provisionslly allotted to members of tho board and their famllies, amounting to 7.64 per cent of the enlarged oquity, have been placed with institutlons.

Brokers to the issue are de Zeote & Bevan.

M & S (Canada)

The Canadian subsidiary of Marks and Spencer, the UK chain store, saw pre-tax income slip from C$13.81m (£8.21m) to C$12.94m (£7.7m) in the year ended March 31 1984, on sales up from C$276.65m to C$295.33m. There is a final dividend of 10 cents.

Mr Eric Morley, chairman of Miss World, pictured at yesterday's meeting with some of the group's assets.

Casino expansion still a priority for Miss World

THE Miss World Group still has wide-ranging plans for diversification, especially into gaming, but may call a balt to its most recent venture in the casino business.

Mr Eric Morley, the chairman, told shareholders at the annual meeting in London's Hilton Hotel yesterday that the group may decide not to proceed with the application for a gaming licence for tho Grey's Casino in Newcastle, which is still under negotiation with the Gaming Board. He said, however, that "there are other ways of getting gaming licences, like acquiring a company that already has one."

On larger diversification plans Mr Morley said that there was lots more scope within the Miss World and related leisure fields, snd that he was investigating "one or two fields" within merchandising. In particular, one in the UK was a "revolutionary idea, which if it comes off would be quito big news.

"I haven't even told my co-directors yet," joked Mr Morley.

The Miss World Group has a sponsorship and merchandising contract with Top Shop, the women's fashion store chain owned by Burton Group, which still has two years to run.

He said yesterday that the strategy behind the casino expansion was to generate strong cash flow, and he pointed to tho success of Mecca in the gaming sphere.

The group's share structure—Mr Morley and his wife Julia hold a controlling 51.2 per cent interest, while board member Mr Michael Asbcroft's Midepsa has another 26.9 per cent—has been seen in the past as a factor inhibiting growth, but the chairman yesterday was noncommittal about any radical change in the near future. As regards a move from the USM to a full listing, he said that the group "still has a year or two to go."

"The nature of the group at the moment isn't one that lends itself to institutional shareholders, but we may go on to the Stock Exchange, if it's to our advantage," he said.

Over £3m profit rise for VG Instruments

AN ADVANCE of £3.27m to £10.6m in pre-tax profits for 1984 is reported hy VG Instruments, a quoted suhsidiary of BAT Industries. The company, which came to the market in December 1983, makes scientific instruments.

The directors believe that the momentum for the result has been provided hy the incentive the staff has from personal interests in the group. Many of them are public shareholders and key members have investments in the companies which they manage, and those companies enjoy a "high degree" of independence.

And the directors "bave no douht" that the group will continue to generate above average results for its industry.

Shareholders are to receive a final dividend of 1.2p. This is in line with the forecast and gives a total of 1.8p.

Turnover in the year showed an increase of 32 per cent, from £38.56m to £50.89m, and 84.2 per cent went nverseas. Orders received in the year were ahead 41 per cent to £65m.

Substantial investment was made, including £2.6m for buildings and fixed plant to increase production capacity. Further plans are in hand which will provide over 100,000 sq ft for 1986 output, and a further 30,000 sq ft for 1987.

The plans cover seven developments including three new locations, and the directors anticipate that 1985 will see the formation of several new companies, and a further expansion into the semi-conductor industry is being planned.

● comment

The market is warming more and more to VG Instruments, the amoeba-like high-tech group which is spawning subsidiaries at a rate of knots. The group has BAT as a silent foster parent with almost 70 per cent and trading in the rest of tho stock has pushed the share price up from the 130p at the time of the somewbat muffed tender nffer in December 1983 to yesterday's 278p. The news that there was a little more pre-tax in the kitty than expected put 6p on during the day. Unlike other high-tech groups wbose margins are being squeezed as a result of problems in both the semiconductor and computer businesses, VG is doing very nicely as its target is primarily the R & D departments where pricing is often a secondary question. VG Semiconductor, in particular, has much promise with its MBE equipment sales and the core business of mass spectrometers continues to perform well. With an end-1984 order book of £65m, 1985 is looking like another 25 per cent sales rise year. Analysts are expecting a pre-tax £13.5m and a p/e of 16 if the tax rate falls as expected to 38 per cent. This is one for a capital gain rather than income, however, given the dividend policy.

Bunzl rises 59% and looks to expansion opportunities in UK

Bunzl, paper, packaging and filter group, increased pre-tax profit hy 59.6 per cent to £27.65m in the year to December 31 1984, egainst £17.33m.

Approximately £1m of pre-tax profit is ettrihutahle to the effect of movements in currency exchange rates, the company says.

All four divisions of the group—merchanting, industrial, distribution and filters — increased profits. Merchanting and distribution, however, with increases of 95 per cent and 107 per cent respectively, were the biggest contributors to group profits.

Mr Earnest Beaumont, chairman, says the growth of these two divisions has led to a further reduction in the proportion of profits arising from cigarette filters, although the filter division achieved a satisfactory increase in profits.

He says the proceeds of the January rights issue enable the group, which has a 4.9 per cent interest in Metal Closures, to consider a number of internal investments and acquisitions, particularly hearing in mind tho group's wish to increase its UK involvement to counterbalance rapid expansion in the U.S.

Turnover, excluding associated companies, was 58.6 per cent up at £857.2m (£540.55m).

Trading profit was £32.02m (£18.19m). Associated companies contributed a further £2.41m (£2.71m) while there was a debit of £6.79m (£3.58m) for net interest and dividend.

UK tax on ordinary activities in 1984 was £2.49m (£2m), overseas tax was £8.84m (£4.25m) while the tax liabilities of associated companies fell to £899,000 (£1.02m).

Minorities were £1.76m (£975,000) and extra-ordinary dehits roso to £1.75m (£641,000). The principal item in this category comprised reorganisation costs which amounted to £1.27m.

Earnings per share before extraordinary items were stated et 23p (16.9p after adjustment for scrip issue) and a final dividend of 4.25p (3p) is being recommended making 7.5p (5.5p) for the full year. Comparison figures are adjusted.

● comment

The City has frequently been left hreathless hy the rapid ascent of sales and profits at Bunzl, not to mention the share price which was up 3p yesterday to a new peak of 488p. The company had no difficulty in beating its January rights issue forecast, and there is every indication that it can make the same rate of progress this year, reaching about £40m pre-tax. In particular, the distribution businesses on both sides of the Atlantic, but especially in the U.S., should again grow strongly, organically and by small-scale acquisition. But Bunzl also has much bigger ambitions—it wants to build up its UK position to balance the rapid U.S. growth, and it would like to do this with an acquisition large enough to form a fifth division to the group. While it is coy about naming names, recent share purchases offer some clues on Bunzl's likely approach—it has bought and sold a stake in the Brammer ball bearings and electronic components distribution group, and is currently sitting on 4.9 per cent of Metal Closures, the packaging group. In each case, Bunzl could apply its skills in managing low-technology, cash generative businesses. The shares, trading on a prospective multiple of 18 (assuming a 42 per cent tax charge) are well up with events.

Mr Earnest Beaumont

Rand hits Metal Closures

IMPROVED PROFITABILITY both at home and overseas was achieved in 1984 by the Metal Closures Group, but the general weakening of the rand against sterling has hit the profit to the extent of £640,000 compared with 1983.

From a turnover up nearly £8m to £88.49m, the profit before tax has only been maintained at £7.04m, compared with £7.08m. Value of the rand-pound varied widely during the year and, on average, was 16 per cent lower than the figure applied in the 1983 accounts.

Tax is lower at £2.76m (£2.89m) and minorities take £267,000 (£636,000), leaving the net profit of £3.62m (£3.55m) equalling earnings of 17.1p (16.8p) per share. Extraordinary debits total 556,000 this time.

The final dividend is 4.5p for a net total of 6.7p, against 6.3p.

Time runs out for tropical timber agreement, Page 48

WALL STREET

Measure of confidence returns

THE steady tone of the bond market in the face of this week's Treasury refunding programme helped Wall Street stocks yesterday to continue the recovery that began towards the close of the previous session, *writes Terry Byland in New York.*

A furthar dip in the federal funds rate took the pressure off other short-term rates. Confidence in the stock market was bolstered by increased turnover on the upswing, contrasting with the reduction in volume at the beginning of the week when prices were on the slide.

At the close the Dow Jones industrial average was 5.19 higher at 1,264.91. Technology stocks again provided a good lead for the market, althougb DataProducts weakened after disclosing that profits had been halved in the fourth quarter.

The dip in the dollar offset this week's warning from major companies of the effects of a strong U.S. currency on corporate profits. The markets success in rebounding after profits warnings from IBM, Minnesota Mining & Manufacturing and other major names strengthened belief that the March sbakeout is over, and prices are poised for a fresh advance.

IBM continued to recover from the shock administered by the board's profits warning, gaining ⅞ to $128¼ in modest turnover. Burroughs, responding to its new high-powered main frame computer model, jumped $1⅛ to $59, while AT&T, now making a cballenge for the desk top market, added $¼ to $21⅛.

Other strong features included Digital Equipment, which bounded ahead by $3⅜ to $103⅜, Data General, $1⅛ up at $44⅜ and Hewlett-Packard, $½ up nt $34¼.

Data Products slipped $⅞ to $13⅛ on the profits warning. But Control Data, which announced a stock bonus plan for executives involving up to 2m shares and which suffered adverse criticism this week from a major brokerage analyst, dipped $1⅛ to $29⅞.

General Electric edged ahead by $¼ to $80 after commenting on the federal indictment of fraud and also publishing its latest profit forecast for the full year.

Among the takeover stocks, the talking point was the sbarp jump in Unocal, the oil company which is the latest target of Mr T. Boone Pickens, after a block of 7m Unocal shares or 4 per cent of the equity-traded on the Midwest Stock Exchange at $48 each for a total of $336m.

The trade was by Jefferies, the third market firm which has acted for many of the oil industry predators. While well below peak NYSE trades, it represents the largest single deal recorded on the Midwest market the previous largest was a 2.7m block of Phillips Petroleum traded two months ago.

The Pickens camp could not be reached for comment on market suggestions that Mr Pickens was the buyer of the block, which, if so, boosts his stake to nearly 14 per cent of Unocal. At $47⅞, the shares were 5⅛ up on overnight level, and active on the NYSE as the speculators bought in.

There was hcavy turnover in tbe Phillips Petroleum wben-issued stock, whicb represents the new corporate structure. The stock held unchanged at $38⅝ with more than 1m shares traded. Also active was Texaco, unchanged at $35.

The mainstream nil stocks continued to hold firm, benefiting from the improved tone of crude prices. Exxon shaded by $¼ to $50¼ from the new 52 week peak achieved on Tuesday. Chevron added $¼ to $34⅜.

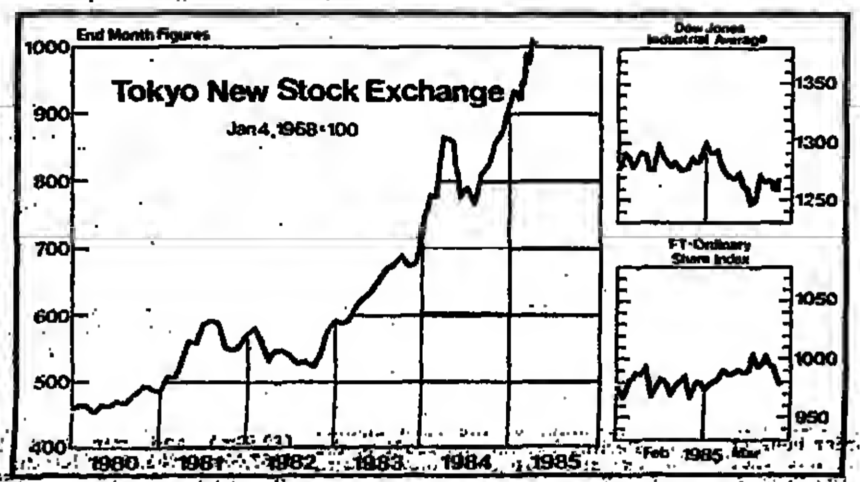
Motor issues also maintained their recent improvements. Although General Motors at $74½ shaded by $¼, Ford at $42⅞ added $⅜ and Chrysler at $35 were a similar amount higber, American Motors, the dull feature of the sector because of slow sales for its smaller models, held unchanged at $3⅝ in minimal turnover.

The Dow transportation average was boosted by gains in both railroad and airline stocks. Among the domestic air carriers. United added $⅛ to $46 and American put on $⅞ to $40¼. Norfolk and Southern added $⅞ to $63⅞ and at $47¾, union Pacific were $¼ better.

In the credit markets, optimism over the near term outlook for interest rates was spurred on by the apparent willingness of the Federal Reserve, wbose open market committee met this week, to acquiesce in a federal funds rate at 7½ to 6 per cent. Treasury bill rates were 5 to 11 basis points down, although the Fed bought $450m bills on customer account at mid-session.

Early gains in bonds were cut back at noon as the Treasury opened its auction of $5.75bn of seven year notes. The key long bond was little changed from its overnight quotation.

KEY MARKET MONITORS



STOCK MARKET INDICES

NEW YORK	Mar 27	Previous	Year ago
DJ Industrials	1,264.91	1,259.72	1,154.3*
DJ Transport	599.53	595.68	499.07
DJ Utilities	151.36	150.18	127.46
S&P Composite	179.55	178.43	157.30
LONDON			
FT Ord	979.3	982.0	875.2
FT-SE 100	1,288.0	1,290.4	1,101.9
FT-A All-share	620.92	622.16	521.14
FT-A 500	677.82	679.80	564.72
FT Gold mines	502.1	500.3	628.8
FT-A Long gilt	10.53	10.59	10.59
TOKYO			
Nikkei-Dow	12,550.82	12,486.15	10,582.4
Tokyo SE	1,005.90	1,001.80	829.63
AUSTRALIA			
All Ord.	826.4	817.8	736.2
Metals & Mins.	519.6	505.5	518.2
AUSTRIA			
Credit Aktien	72.47	72.03	55.04
BELGIUM			
Belgian SE	2,255.93	2,271.06	–
CANADA			
Toronto			
Metals & Minls	2,038.6*	2,039.18	2,299.0
Composite	2,609.4*	2,594.62	2,360.2
Montreal			
Portfolio	129.66*	128.84	115.24
DENMARK			
Copenhagen SE	178.64	179.83	181.93
FRANCE			
CAC Gen	210.4	209.4	162.5
Ind. Tendance	115.4	114.2	85.95
WEST GERMANY			
FAZ-Aktien	408.55	415.54	348.63
Commerzbank	1,183.2	1,204.1	1,024.2
HONG KONG			
Hang Seng	1,350.65	1,344.13	1,131.25
ITALY			
Banca Comm.	276.08	277.10	220.51
NETHERLANDS			
ANP-CBS Gen	204.2	203.9	157.8
ANP-CBS Ind	165.4	165.2	127.1
NORWAY			
Oslo SE	302.74	303.21	257.05
SINGAPORE			
Straits Times	817.06	825.97	998.51
SOUTH AFRICA			
Golds	1,030.2	1,008.7	1,002.8
Industrials	883.3	879.7	1,105.3
SPAIN			
Madrid SE	111.14	111.83	84.42
SWEDEN			
J & P	n/a	1,403.56	1,548.21
SWITZERLAND			
Swiss Bank Ind	422.5	424.4	366.0
WORLD	Mar 26	Prev	Year ago
Capital Int'l	200.1	199.7	185.3

GOLD (per ounce)

	Mar 27	Prev
London	$331.75	$324.00
Zürich	$330.50	$324.50
Paris (fixing)	$328.58	$315.31
Luxembourg	$330.75	$315.35
New York (Apr)	$327.80	$324.40

* *Latest available figure*

CURRENCIES

(London)	U.S. DOLLAR Mar 27	U.S. DOLLAR Previous	STERLING Mar 27	STERLING Previous
$	–	–	1.239	1.1825
DM	3.125	3.209	3.875	3.795
Yen	251.85	255.45	312.5	302.0
FFr	9.545	9.8025	11.84	11.59
SwFr	2.6485	2.721	3.27	3.2125
Guilder	3.5375	3.628	4.385	4.2875
Lira	2,003.5	2,042.5	2,487.5	2,414.25
BFr	63.05	64.55	78.1	76.35
C$	1.3675	1.377	1.6825	1.627

INTEREST RATES

Euro-currencies (3-month offered rate)	Mar 27	Prev
£	13 7/16	13 11/16
SwFr	5¾	5⅝
DM	6	8 1/16
FFr	10 15/16	11 1/16
FT London Interbank fixing (offered rate)		
3-month U.S.$	9¼	9 5/16
6-month U.S.$	8 13/16	8⅞
U.S. Fed Funds	8¼	7
U.S. 3-month CDs	8.80	8.85
U.S. 3-month T-bills	8.31	8.34

U.S BONDS

Treasury	Mar 27* Price	Mar 27* Yield	Prev Price	Prev Yield
10⅜ 1987	100 5/32	10.61	100 5/32	10.61
11⅝ 1992	99 19/32	11.76	99 19/32	11.76
11¼ 1995	96 24/32	11.80	96 24/32	11.80
11¼ 2015	95 28/32	11.75	95 28/32	11.75
Corporate	Mar 27* Price	Yield	Prev Price	Yield
AT & T				
10⅜ June 1990	95⅛	11.65	95⅛	11.65
3⅞ July 1990	73⅝	10.62	73⅝	10.62
8⅜ May 2000	74⅜	12.50	74⅜	12.50
Xerox				
10⅞ March 1993	97	11.20	97	11.20
Diamond Shamrock				
10⅞ May 1993	90⅜	12.50	90⅜	12.50
Federated Dept Stores				
10⅞ May 2013	74⅜	12.50	74⅜	12.50
Abbot Lab				
11.80 Feb 2013	94.186	12.55	94.186	12.55
Alcoa				
12¼ Dec 2012	94.72	12.95	94.72	12.95

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
June	68–24	69–02	68–18	69–09
U.S. Treasury Bills (IMM) $1m points of 100%				
June	91.22	91.28	91.05	81.14
Certificates of Deposit (IMM) $1m points of 100%				
June	90.44	90.57	90.31	90.43
LONDON				
Three-month Eurodollar $1m points of 100%				
June	89.94	90.00	89.92	89.88
20-year Notional Gilt £50,000 32nds of 100%				
June*	106–27	106–31	106–04	105–28

COMMODITIES

(London)	Mar 27	Prev
Silver (spot fixing)	544.55p	532.95p
Copper (cash)	£1,151.50	£1,200.50
Coffee (May)	£2,202.00	£2,298.50
Oil (spot Arabian light)	$27.80	$27.80

LONDON

STERLING'S strength aroused speculation about UK interest rates in London financial markets yesterday with confidence beginning to increase about a small reduction in bank base rates.

Falling money market rates reinforced these hopes. Foreign funds attracted by the present high interest rates forced longer dated Government stocks up in after hours trading, while domestic demand was also evident.

Leading equities edged lower, reflected in a 2.7 point decline in the FT Ordinary share index to 979.3, after a marginal improvement during the morning.

Chief price changes, Page 42; Details, Page 43; Share information service, Pages 44–45

SINGAPORE

SUSTAINED profit-taking continued to make inroads into the prices in Singapore and the Straits Times industrial index lost a further 8.91 to 817.06, on increased volume.

Although much of the selling was concentrated on lower priced issues, blue chips were not immune to the decline. Banks were led lower by DBS's 15 cent drop to S$6.10, with OCBC down 10 cents to S$9.25 and UOB 6 cents lower at S$4.50.

Cycle & Carriage fell another 24 cents to S$3.78 on market talk again dismissing takeover speculation. Declines during the past two days total almost 10 per cent of its market capitalisation.

AUSTRALIA

A RESUMPTION of solid buying support pushed Sydney to another record level. All sectors benefited, with investors showing a preference for leading mineral stocks.

The relative weakness of the Australian dollar encouraged buying from the U.S., while local investors derived confidence from climbing international bullion prices.

The All-Ordinaries index closed 6.3 higher at 826.4, compared with a previous high of 821.1 on Monday.

HONG KONG

INSTITUTIONAL buying belped Hong Kong forward during quiet half-day trading.

Small investors held back awaiting Friday's results from Jardine Matheson which closed up 5 cents to HK$9.0.

Fellow market leaders Cheung Kong rose 10 cents to HK$13.50, Hongkong Wharf 15 cents to HK$5.35 and Hutchison Whampoa 20 cents to HK$19.90.

Against this trend, Hongkong Land eased 5 cents to HK$4.80.

SOUTH AFRICA

BUOYANCY in the international bullion price inspired rises among gold issues in Jobannesburg.

Eastern Transvaal closed R3 higber at R36 and Simmers was up 35 cents to R3.95. Diamond and platinum issues shadowed golds, with De Beers firming 5 cents to R9.70 and Rustenburg Platinum 45 cents to R17.50.

Mining financials also improved, while industrials were generally unchanged with a firmer bias.

CANADA

STRENGTH returned to trading in Toronto as gold mining shares surged forward during bectic business.

LAC Minerals was at the forefront of interest among gold stocks, trading C$1⅜ higher at C$31½. Dome Petroleum was in demand following the announcement of reduced annual losses and traded 15 cents higber at C$3.45.

The tempo of trading in Montreal also rose with a broad section of stocks registering advances.

TOKYO

Record high greets new fiscal year

BROADLY based active buying of large-capital and non-ferrous metal stocks, reflecting mounting expectations of price rises, took the Nikkei-Dow market average to a record in Tokyo yesterday, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei Dow market average rose 64.67 to 12,550.82, exceeding the previous peak of 12,542.60 recorded on March 22.

Yesterday marked the first day of trading of the market's new fiscal year and turnover displayed its traditional surge, rising from 410.86m shares to 854.34m – the higbest since March 30 last year.

Allowing for ex-rights drop of 36.71 in the market barometer after dividend payments and new share issues by corporations closing their books at the end of this month, the gain was 100 points.

As expected by major securities companies, more institutional investors and business corporations were drawn to the market, anticipating further price surges in April.

Mitsui Toatsu headed the active list with 55.40m shares traded, adding Y6 to Y237 on news of its biotechnology development efforts. Sumitomo Chemical increased Y6 to Y221.

Other biotechnology-related stocks were mixed. Green Cross climbed Y100 at one stage, but closed Y20 down Y3,360 under profit-taking pressure. In contrast, Daiichi Seiyaku moved up Y110 to Y2,360, and Toyama Chemical added Y45 to Y915.

Mitsubishi Heavy Industries, the pace-setter among highly capitalised issues, weakened Y3 to Y276, on the second biggest volume of 51.86m shares.

Non-ferrous metals also drew interest in early trading, reflecting the strength of gold prices, but they later slackened. Mitsui Mining and Smelting traded heavily and shed Y4 to Y555, and Sumitomo Metal Mining dropped Y10 to Y1,940. By contrast, Nippon Mining, regarded as a laggard among gold-mining issues, firmed Y12 to Y409.

Financial stocks were mixed. Tokio Marine and Fire firmed Y35 to Y912 and Yasuda Fire and Marine gained Y24 to Y504, while Nomura Securities declined Y20 to Y1,300.

Stocks with large off-the-book assets drew popularity. Nippon Express strengthened Y26 to Y362, on the third biggest volume of 39.42m shares. Mitsubishi Estate firmed Y19 to Y649.

Blue chips remained dull, although Sony rose Y90 to Y4,550 and Matsushita Electric Industrial Y40 to Y1,590.

Bonds surged, paced by the yen's strength against the dollar, a drop in U.S. short-term interest rates and steady tender purchases of four-year U.S. Treasury bonds.

The yield on the benchmark 7.3 per cent government bond due in December 1993 fell from 6.720 per cent to 6.680 per cent.

EUROPE

Divergent reactions to dollar

A WAVE of profit-taking in the wake of the sharply lower dollar drove German shares lower, with export-orientated companies whicb have benefited most from the dollar's recent surge, being hardest hit.

The weakness of the U.S. currency bad the opposite effect in France, with strong demand seen from U.S. investors seeking currency bedges, taking prices to record highs.

In other European centres, a mixed to lower tone emerged.

Frankfurt's decline was also attributed to a consolidation of the market's gains to peak levels earlier in the month.

Luxury sports-car maker Porsche was singled out for particularly beavy selling, pushing the share down DM 53 to DM 1,175, with investors again displaying extreme caution amid exchange rate uncertainty.

Daimler shed DM 9.50 to DM 665.50 and BMW DM 3 to DM 378.50. Volkswagen, planning to raise production and take on 1,000 new employees on expectations of healthy sales in coming months, eased DM 3.60 to DM 198.

The banks were lower. Bayernhypo fell DM 9 to DM 330 ahead of results.

Bond prices picked up strongly in response to the weaker dollar. Bundesbank plans to liberalise the capital markets – and thus increase the attraction of mark investments – provided further support.

The Bundesbank sold a large DM 104.7m of paper to help supply the market, compared with sales totalling DM 29.2m the previous day.

In **Paris**, much of the foreign interest centred on metals issues which are thougbt to be likely to benefit if the dollar remains weak for a prolonged period. The CAC General index edged up 1 point to a new peak of 210.4.

Among the metals, Nord Est advanced FFr 7.40 to FFr 90 after an order imbalance had delayed its opening.

Elsewhere, Valeo fell FFr 3 to FFr 230 after reporting higber losses than had been expected.

Amsterdam was mixed as it continued its recent consolidation but the undertone remained positive.

Akzo added Fl 1.20 to Fl 109.80 and Royal Dutch picked up early losses to end 30 cents ahead at Fl 197.30. Among banks, Amro edged 20 cents ahead to Fl 75.20 as the market awaited publication of its annual report.

Biotechnology group Gist Brocades closed Fl 1.50 higher at Fl 184.50 ahead of its announcement of a 50 per cent rise in 1984 net earnings.

Bond prices rose in brisk trading with the mood cbeered by the success of the new state loan issue the previous day.

Brussels was lower overall on profit-taking. Ebes, the electrical group fell BFr 20 to BFr 3,080 despite its higher 1984 net earnings and plan to raise its dividend.

Société Génèrale de Belgique ended unchanged at BFr 2,000 with its raised dividend apparently not living up to expectations.

Zurich was lower with investors displaying a reluctance to take new positions, while bonds were little cbanged in lacklustre trading. **Stockholm** and **Madrid** were also easier.

Milan was also lower, led down by a L121 loss to L6,529 in Olivetti amid market rumours that a major stockholder migbt sell its stake.

Snia, whicb added L3 to L2,813, was one of the few issues in demand following its announcement of higber profit, dividend and capital increase operation.

Ciga rallied L145 to L8,395 in response to the purchase of the botel cbain by the Aga Khan.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
23½	16⅛	AAR	.48	2.6	15	50	18¾	18¼	18¾	+⅛
21¼	9⅜	AGS			10	136	13⅞	13¼	13¼	−¾
18⅛	11	AMCA				9	11⅛	d10⅞	10⅞	−¼
17⅞	13⅜	AMF	.50	2.9	38	652	17¼	16⅝	17¼	+½
43¼	24¼	AMR			6	3069	40¼	39⅜	40¼	+⅞
20⅜	18⅝	AMR	pf2.18	11.		38	u20½	20¼	20⅜	+⅛
25⅞	22⅞	ANR	pf2.67	11.		443	25	24¾	24⅞	+½
14¼	8½	APL			41	8	8⅛	9⅜	9⅜	−⅛
67¼	44⅜	ASA	2	3.8		988	53¾	52⅞	53⅛	+⅝
27	16	AVX	.32	1.8	11	629	17½	17	17½	+⅛
52⅜	36¾	AbtLab	1.40	2.7	16	3800	u52⅞	52⅛	52⅝	+1
25⅞	16½	AccoWds	.44	2.0	18	62	23½	22½	22½	−⅞
22	12½	AcmeC	.40	2.8		66	14⅞	14	14⅜	+⅜
10½	6¼	AcmeE	.32b	3.5	11	6	9¼	9¼	9¼	−⅛
17⅜	15	AdaEx	2.11e	13.		72	16¾	16½	16½	
20	11⅛	AdmMl	.32	1.6	7	39	17¾	17¼	17¾	+½
19½	8⅜	AdvSys	.81t	7.5	17	101	10⅞	10½	10¾	
41⅛	25⅛	AMD			14	5039	33	31⅝	32⅝	+1
12¾	6⅞	Advest	.12	1.3		177	9⅝	9⅛	9½	+¼
14⅝	8¾	Aerflex			12	29	12¼	11⅞	11⅞	−⅜
42⅝	27¼	AetnLf	2.64	6.5	39	711	40¾	40⅜	40⅝	+⅛
58¾	52⅜	AetL	pf5.83e	11.		227	55	54½	54⅝	−⅛
32⅛	15¾	Ahmns	1.20	3.7	16	2690	u32⅝	32	32½	+½
[illegible]										

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Continued on Page 41

AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

[illegible]

Continued on Page 42

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

Continued from Page 40

[illegible]

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
18	10¾	WyleLb	.32	2.8	10	32	12⅜	12¼	12¼	
23⅝	16¾	Wynns	.60	2.8	8	66	21⅜	21⅛	21¼	−⅛
		X Y Z								
46¼	33¼	Xerox	3	1.6	17	2006	43½	43	43⅛	
51⅜	45¼	Xerox	pf5.45	11		228	50⅜	50	50	−½
36	24	ZaleCp	1.32	4.8	8	16	27¾	27⅜	27¾	
23⅛	19¼	ZaleplA	.80	5.7		1	21¾	21¾	21¾	
24⅛	13⅜	Zapata	.84	6.2	16	408	13⅝	13⅜	15⅝	+¼
50	30	Zayre	.40b	.7	14	415	55¾	55¼	55⅜	−½
31¼	18⅛	ZenithE			7	998	21½	20⅝	21½	+⅛
21⅞	14⅝	Zero	s		18	128	19½	19¼	19½	+¼
31⅜	21⅛	Zurnin	1.32	4.8	10	150	38	20½	20½	−⅛

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a–dividend also extra(s). b–annual rate of dividend plus stock dividend. c–liquidating dividend. cld–called. d–new yearly low. e–dividend declared or paid in preceding 12 months. g–dividend in Canadian funds, subject to 15% non-residence tax. i–dividend declared after split-up or stock dividend. j–dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k–dividend declared or paid this year, an accumulative issue with dividends in arrears. n–new issue in the past 52 weeks. The high-low range begins with the start of trading. nd–next day delivery. P/E–price-earnings ratio. r–dividend declared or paid in preceding 12 months, plus stock dividend. s–stock split. Dividends begins with date of split. sls–sales. t–dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u–new yearly high. v–trading halted. vi–in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd–when distributed. wi–when issued. ww–with warrants. x–ex-dividend or ex-rights. xdis–ex-distribution. xw–without warrants. y–ex-dividend and sales in full. yld–yield. z–sales in full

WORLD STOCK MARKETS

AUSTRIA

Mar. 27	Price Sch%	+ or —
Creditanstalt	246	+1
Goesse	429	+4
Interunfall	520	+00
Laenderbank	242	+1
Perlmooser	401	+0
Steyr-Daimler	166	+1
Veitscher Mag	597	+7

BELGIUM/LUXEMBOURG

March 27	Price Frs.	+ or —
B.B.L.	1,610	......
Banq. Int. A. Lux	6,150	......
Bekaert B	6,930	......
Ciment CBR	2,585	—15
Cockerill	265	—5
Delhaize	6,800	—200
EBES	5,090	—20
Electrobel	8,670	......
Fabrique Nat	1,915	—15
GB Inno BM	6,500	—50
GBL (Brux)	1,980	—20
Gevaert	5,200	+25
Hoboken	6,750	—70
Intercom	9,185	—40
Kredietbank	8,390	—10
Pan Hldgs.	11,200	—000
Petrofina	6,760	+30
Royale Belge	11,200	—100
Soc. Gen. Banq	5,405	+5
Soc. Gen. Belge	0,000	......
Sofina	7,600	—70
Solvay	4,450	+20
Stanwick Intl.	1,650	+20
Tractionel	4,105	—145
UCB	6,140	—160
Wagon Lits	0,630	+40

DENMARK

Mar. 27	Price Knr %	+ or —
Andelsbanken	282	—5
Baltic Skand	640	......
CopHandelsbank	276	—4
D. Sukkerfab	540	—5
Danske Bank	271	—6
De Danske Luft.	1,245	......
East Asiatic	167	—3
Forenede Brygg.	995	—5
Forenede Damp.	106	+1
GNT Hldg	416	......
I.S.S.B.	405	—5
Jyske Band	655	—5
Novo Ind	1,640	—35
Privatbanken	240	......
Provinsbanken	524	......
Smidth (F)	225	......
Sophus Berend	1,005	—20
Superfos	480	—4

FRANCE

March 27	Price Frs.	+ or —
Emprunt 4½% 1973	1755	+87
Emprunt 7% 1973	8829.9	+730.8
Accor	280.9	+5.9
Air Liquid	638	+5
BIG	553	—4
Bongrain	1,940	+20
Bouygues	613	—8
BSN Gervais	2,370	+40
CIT Alcatel	1,375	+35
Carrefour	1,990	+21
Club Mediter'n	1,195	—4
Cie Bancaire	609	+10
Colimeg	275.5	......
Damart	2,105	—15
Darty	1,220	+10
Dumez S.A.	580	—5
Eaux (Cie Gen)	617	+57
Elf Aquitaine	235.3	+0.5
Essilor	5,080	—50
Gen. Occidentale	720	......
Imetal	110	—5.1
Lafarge Coppee	475	—15
L'Oreal	2,480	—60
Legrand	2,120	—5
Maisons Phenix	225	......
Matra S.A.	1,850	—85
Michelin B	936	+1
Midi (Cie)	2,212	—12
Moet Hennessy	1,630	—5
Moulinex	109.6	—1
Nord Est	90	—7.4
Pernod Ricard	687	—14
Perrier	523	—4
Petroles Fra.	268.5	+0.5
Peugeot S.A.	290	+1
Printemps Aus	225.5	+3.5
Radiotech	274.9	+8.9
Redoute	1,289	—9
Roussel Uclaf	1,723	+15
Selimeg	324	......
Skis Rossignol	1,895	—25
Telemech Elect	2,555	—30
Thomson CSF	550	—15
Valeo	230	—5

GERMANY

Mar. 27	Price Dm.	+ or —
AEG Telef	107.6	—2.9
Allianz Vers	1085xr	—19
BASF	127.4	—6.6
Bayer	207.4	—5.6
Bayer-Hypo	350	—2
Bayer-Verein	526	—11
BHF-Bank	262	—4
BMW	378.5	—3
Brown Boveri	015.8	—1.5
Commerzbank	165	—1.2
Cont'l Gummi	152.7	—2.7
Daimler-Benz	665.5	—9.6
Degussa	350.2	—1.8
D'sche Babcock	161	......
Deutsche Bank	436.5	—6.5
Dresdner Bank	185xr	—4
GHH	165.6	—1.5
Hochtief	472	......
Hoechst	200.1	—6.9
Hoesch Werke	106.5	—5.5
Holzmann (P)	389	—4
Horten	167	+1
Hussel	285	—2
Karstadt	211	......
Kaufhof	220	—9
KHD	251xr	+0.5
Kloeckner	70.2	—4.2
Linde	414.5	—2.5
Lufthansa	192	—3
MAN	155	......
Mannesmann	159.1	—2.4
Mercedes Hld.	585.5	—8.5
Metallgesel	239	—6
Muench Rueck	1195	+10
Nixdorf	543	......
Porsche	1175xd	—55
Preussag	270.5	—3.5
Rhein West Elect	155.6	—0.2
Rosenthal	238	—5
Schering	449.5	—6.5
Siemens	526.5xd	—6.5
Thyssen	98	—3
Varta	182.5	—0.7
Veba	177.7	—1.9
V.E.W.	122.2	—1
Verein-West	515	—3
Volkswagen	188	—6.6

ITALY

Mar. 27	Price Lira	+ or —
Banca Com'le	17,000	—200
Bastogi-IRBS	212.2	—2.5
B.I-invest	3,430	+40
Centrale	3,701	+21
Credito Varesino	4,099	—11
Fiat	2,985	—15
Finsider	60.2	+0.2
Generali Assicur.	43,590	—110
Italcementi	82,600	—300
La Rinascente	667	—1.5
Montedison	1,500	—8
Olivetti	6,529	—101
Pirelli Co	4,292	—27
Pirelli Spa	8,191	—8
Snia BPD	2,815	+3
Toro Assic	14,580	—218
do Pref	10,760	—80

NETHERLANDS

Mar. 27	Price Fls	+ or —
ACF Holding	197.5	—0.6
AEGON	185.5	—1
Ahold	215.3	—0.2
AKZO	109.8	+1.2
ABN	405	—2
AMEV	215.5	+3.2
AMRO	75.0	+0.2
Bredero Cert	149	—0
Bos Kalis Westm.	20.5	+0.1
Buehrmann-Tet.	87.2	+0.5
Calland Hldgs.	65.5	—0.5
Dordtsche Pet'm	176.5	—1
Elsevier NDU	111.5	—0.5
Fokker	104	+0.5
Gist Brocades	184.5	—1.5
Heineken	156.8	—0.2
Hoogovens	58.6	—0.2
Int Mueller	51	+0.5
KLM	59.1	+0.0
Naarden	47.7	—0.2
Nat Ned Cert	270.1	+0.5
Ned M'd Bank	174	+0.5
Nedlloyd	183.5	+1.7
Oce Grinten	312	—0.5
Ommeren (Van)	50.5	+0.5
Pakhoed	70.4	+0.9
Philips	60.8	......
Robeco	74.9	—0.3
Rodamco	138.7	—0.3
Rolinco	67.6	—0.5
Rorento	44	—0.1
Royal Dutch	197.5	—0.5
Unilever	341	—1
VMF Stork	148.6	+0.5
VNU	211.3	+0.8
West Utr Bank	106	+6.5

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights xa Ex all.

NORWAY

Mar. 27	Price Kroner	+ or —
Bergens Bank	143	+1
Borregaard	563	+2.6
Christiania Bank	141	—0.6
DenNorske Cred	146	......
Elkem	134	+1
Kvaerner	163	+0.6
Norsk Data	390	—9
Norsk Hydro	103.5	+1
Storebrand	240	......

SPAIN

Mar. 27	Price Pta%	+ or —
Bco Bilbao	337	—6
Bco Central	514	+1
Bco Exterior	205	+5
Bco Hispano	158	......
Bco Popular	575	—8
Bco Santander	655	......
Dragados	174	—1
Hidrola	85	—1.2
Iberduero	96.6	—5
Petroleos	147.2	—3.5
Telefonica	124.7	......

SWEDEN

Mar. 26	Price Kronor	+ or —
AGA	585	—26
Alfa-Laval	188	+1
ASEA (Free)	615	—6
Astra (Free)	360	—10
Atlas Copco	104	—1
Cardo (Free)	250	—1
Cellulosa	116	—0
Electrolux B	505	—6
Ericsson	296	+6
Esselte	565	......
Mo och Domsjo	226	—4
Pharmacia	010	......
Saab Scania Free	420	......
Sandvik	385	—15
Skandia	300	—2
Skan Enskilda	48	......
SKF	005	—1
St Kopparbergs	160	—4
Sven Handlesbn.	169	......
Swedish Match	216	—1
Volvo B (Free)	284	—2

SWITZERLAND

Mar. 27	Price Frs.	+ or —
Alusuisse	866	+5
Bank Leu	5,600	—10
Brown Boveri	1,645	—5
Ciba Geigy	2,900	—30
do. (Part Certs)	2,425	—15
Credit Suisse	2,480	—20
Elektrowatt	2,900	+10
Fischer (Geo.)	750	+15
Hoff-Roche PtCts	87,625	—376
Hoff-Roche 1/10	8,775	—25
Jacobs Suchard	6,400	+60
Jelmoli	1,940	......
Landis & Gyr	1,690	—20
Nestle	5,470	......
Oer-Buehrle	1,430	—10
Pirelli	997	+1
Sandoz (Br)	7,725	—175
Sandoz (PtCts)	1,335	—18
Schindler (PtCts)	790	+10
Sika	1,080	......
Surveillance	4,210	—5
Swissair	1,148	+3
Swiss Bank	574	—3
Swiss Reinsce	2,650	......
Swiss Volksbk	1,425	—10
Union Bank	5,685	—15
Winterthur	3,740	......
Zurich Ins.	01,150	—150

AUSTRALIA

Mar. 27	Price Aust $	+ or —
ANZ Group	4.54	+0.02
Alliance Oil Dev.	1.10	+0.02
Ampol Pet	1.88	......
Ashton	0.90	—0.02
Aust. Cons. Ind	2.02	+0.05
Aust. Guarantee	2.42	+0.02
Aust. Nat. Inds	2.9	+0.08
Aust. Paper	2.55	+0.05
Bell Group	6.64	—0.16
Bell Res.	6.40	—0.1
Bond Corp Hldgs	1.55	—0.03
Boral	3.26	+0.06
Bougainville	2.15	+0.15
Brambles Inds	3.85	+0.02
Bridge Oil	2.4	+0.05
B.H. Prop.	6.02	+0.06
CRA	6.16	+0.1
CSR	2.91	—0.05
Castlemaine Tys.	4.80	......
Coles (G.J.)	3.78	......
Comalco "A"	4.70	+0.05
Consolidated Pet	0.48	+0.01
Costain Aust.	1.60	......
Dunlop Olympic	2.08	......
Elders IXL	5.18	+0.02
Energ Res.	1.40	—0.01

AUSTRALIA (continued)

Mar. 27	Price Aust. $	+ or —
Gen. Prop. Trust	2.14	+0.02
Hardie (James)	6.06	—0.03
Hartogen Energy	2.4	......
Herald W'y Times	4.10	+0.10
IGI Aust.	1.92	+0.02
Jimberlana F.P.	0.32	+0.02
Kia Ora Gold	0.18	+0.01
Lend Lease	5.86	—0.04
MIM	5.1	+0.15
Mayne Nickless	3.22	......
Myer Emporium	1.82	+0.02
Nat. Aust. Bank	5.45	+0.04
News	15.8	+0.16
Nicholas Kiwi	2.0	+0.05
North Bkn Hill	2.46	+0.04
Oakbridge	0.79	+0.02
Pancont'l	1.41	+0.03
Pioneer Conc.	1.65	—0.04
Poseidon	6.6	+0.18
Queensland Coal	1.46	+0.05
Reckitt & Coln.	6.05	......
Repco	1.26	+0.01
Santos	6.14	+0.14
Smith (Howard)	3.98	+0.05
Thos. Nationwide	1.82	—0.01
Tooth	5.8	......
Vamgas	3.70	+0.05
Western Mining	4.05	+0.14
Westpac Bank	3.47	+0.01
Woodside Petrol	0.94	—0.18
Woolworths	5.8	+0.08
Wormald Intl.	3.60	......

HONG KONG

Mar. 27	Price H.K.$	+ or —
Bank East Asia	22.4	......
Cheung Kong	15.6	+0.1
China Light	14.1	......
Evergo	1.07	—0.08
Hang Seng Bank	46.5	......
HK Electric	7.16	......
HK Kowloon Wh.	8.65	+0.15
HK Land	4.8	—0.05
HK Shanghai Bk.	8.66	......
HK Telephone	71.0	+1
Hutchinson Wpa	19.9	+0.2
Jardine Math	9.0	+0.06
New World Dev.	6	......
Orient O'seas	2.55	+0.05
O'seas Trust Bk	2.6	+0.05
SHK Props.	8.85	+0.05
Shell Elect.	1.62	......
Swire Pac A	22.0	+0.1
TV—B	5.9	......
Wheel'k Mard A.	7.2	......
Wheel'k M'time	1.10	......
World Int. Hldns.	1.78	+0.08

JAPAN

Mar. 27	Price Yen	+ or —
Ajinomoto	1,100	—10
Alps Electric	1870xe	—11
Amada	1100xe	+2
Asahi Chem	675xe	+53
Asahi Glass	902	+5
Bridgestone	530	—6
Canon	1,590	—30
Casio Comp.	1,730	—20
Chugai Pharm.	1,030	—20
Citizen	545	—5
Daiei	615	+5
Dai Nippon Ptg	1,040	—10
Daiwa House	571	+15
Ebara	415	—1
Eisai	1800xe	+119
Fanuc	8950xe	—460
Fuji Bank	1,640	—20
Fuji Film	1,740	—60
Fujisawa	1,160	+20
Fujitsu	1170xc	—30
Green Cross	5,560	—20
Hasegawa	373	+3
Heiwa Real Est.	789	+97
Hitachi	960	+20
Hitachi Credit	1,080	—00
Honda	1,420	+30
House Food	683	—2
Hoya	2,210	+20
Itoh (C)	365	+15
Ito Yokado	2,570	+60
Iwatsu	1,050	—30
JACCS	520	......
JAL	6,400	+730
Jusco	661	+1
Kajima	272	—3
Kao Soap	776xe	+13
Kashiyama	590	—3
Kirin	595	+25
Kokuyo	880	—5
Komatsu	472	......
Konishiroku	681	—5
Kubota	325	+3
Kumagai	609	+25
Kyoto Ceramic	5,850	—30
Maeda Const	488	......
Makino Milling	1,270	—30
Makita	1,040	—30
Marubeni	320	+12
Marudai	560	+15
Marui	1,010	—10
MEI	1,590	+40
M'ta Elec Works	785	......
M'bishi Bank	1,510	+10
M'bishi	554	—24
M'bishi Elec	400	—3
M'bishi Estate	649	+18

JAPAN (continued)

Mar. 27	Price Yen	+ or —
MHI	276	—3
Mitsui	355	+12
Mitsui Estate	674xe	+1
Mitsukoshi	422	—6
NGK Insulators	905xe	—4
Nihon Cement	240	+7
Nippon Denso	1,450	+70
Nippon Elect	1,120	—10
Nippon Express	382	—26
Nippon Gakki	1,910	—110
Nippon Kokan	137	—3
Nippon Oil	890xe	+45
Nippon Seiko	670	—4
Nippon Shimpan	670	—2
Nippon Steel	154	+1
Nippon Suisan	538	+5
NTV	10000xe	+460
Nippon Yusen	242xe	+11
Nissan Motor	663	+7
Nisshin Flour	470	+5
Nisshin Steel	175	—1
Nomura	1,300	—20
Olympus	1,180	—30
Orient Leasing	5,000	+90
Pioneer	2,670	+60
Renown	644	—6
Ricoh	896	—15
Sankyo	1,240	—50
Sanyo Elect.	471	—10
Sapporo	450	+20
Sekisui Prefab	565	—17
Seven-Eleven	8,800	+150
Sharp	1,000	—60
Shimadzu	709xe	—16
Shionogi	581xe	......
Shiseido	1,070	......
Sony	4,550	+90
Stanley	985	—45
S'tomo Bank	1,830	+30
S'tomo Elect	895	—7
S'tomo Marine	666	+55
S'tomo Metal	153	—1
Taihei Dengyo	490	......
Taisei Corp.	205	—4
Taisho Pharm	1,170	+100
Takeda	870	+20
TDK	5,750	—40
Teijin	450	+15
Teikoku	641	—2
Tokyo Marine	910	+55
TBS	776	+5
Tokyo Elect Pwr	1,730	+50
Tokyo Gas	172	—1
Tokyo Sanyo	695	—12
Tokyo Style	698	......
Tokyu Corp	342	+7
Toppan Print	860	—2
Toray	456	+16
Toshiba Elect	412	......
TOTO	648	—22
Toyo Seikan	900	+10
Toyota Motor	1,400	......
Victor	2,230	—00
Wacoal	707	—5
Yamaha	756	—24
Yamanouchi	3,910	+70
Yamazaki	645	+5
Yasuda Fire	504	+24
Yokogawa Bdge.	412	—10

SINGAPORE

Mar. 27	Price $	+ or —
Boustead Hldgs.	1.66	—0.02
Cold Storage	2.6	—0.04
DBS	5.1	—0.15
Genting	5.6	—0.05
Haw Par. Bros.	2.34	—0.01
Hong Leong Fin.	5.04	—0.02
Inchcape Bhd.	2.44	......
Keppel Shipyard	1.75	—0.04
Malay Banking	5.9	—0.1
Malay Utd. Ind.	2.31	—0.07
Multi Purpose	0.89	—0.01
OCBC	9.25	—0.1
OUB	3.76	—0.02
Public Bank	1.57	—0.04
Sime Darby	1.94	—0.02
Singapore Press	6.05	—0.1
Straits Trdg.	4.32	—0.02
Tat Lee Bk	2.8	......
UOB	4.5	—0.08

SOUTH AFRICA

Mar. 27	Price Rand	+ or —
Abercom	1.32	......
AE&CI	7.5	......
Allied Tech	50	......
Anglo Am Coal	40	—1.75
Anglo Am Corp	24.5	+0.5
Anglo Am Gold	165.5	+0.5
Barclays Bank	13.75	......
Barlow Rand	10.40	+0.25
Buffels	79.25	+0.25
CNA Gallo	2.37	......
Currie Finance	3.50	+0.05
De Beers	6.7	+0.05
Driefontein	52.75	+0.25
FS Geduld	53.0	+1.75
Gold Fields SA	31	+0.75
Highveld Steel	3.95	+0.05
Nedbank	9.05	+0.05
OK Bazaars	13.25	......
Protea Hldgs.	1.3	......
Rembrandt	33	......
Rust Plat	17.5	+0.45
Safren	13.9	......
Sage Hldgs	6.85	......
SA Brews	6.3	......
Smith (AC)	21	......
Tongaat Hulett	6.75	......
Unisec	4.8	+0.05

CANADA

TORONTO
Prices at 2.30pm
March 27

Sales	Stock	High	Low	Close	Chng
1775	Abti Price	$55½	55	55	
11430	Agnico E	$16¾	16¼	16½	+¾
2800	Agra Ind A	$6¾	6⅝	6¾	+⅛
10150	Alt Energy	$20⅝	15⅞	20¼	+⅝
100	Alta Nat	$14¾	14¾	14¾	—½
25	Algo Cent	$20⅝	20⅛	20⅝	—⅝
582	Algoma St	$21¾	21⅝	21⅝	+¼
4285	Argcen	518	18¾	18¾	—¼
300	Asbestos	$7	7	7	
1000	Atco I 1	$8½	8¼	8½	
7414	BP Canada	$29½	28½	29⅛	+⅞
10148	Bank BC	6¾	5⅝	5¾	
35601	Bank N S	$12⅞	12⅝	12¾	
0750	Barrick s	148	147	148	+2
1600	Baton A I	$15¼	15¼	15¼	
22325	Bonanza R	430	420	430	+10
6700	Bralorne	$5	495	5	+5
3700	Bramalea	$17¾	17½	17⅛	—¼
3025	BCFP	$9⅛	9	9⅛	
18455	BC Res	244	236	236	—7
3565	BC Phone	$21⅞	21⅝	21⅞	
400	Brunswk	$15¾	15¾	15¾	+⅝
212	Budd Can	$23¾	23¾	23¾	
212720	CAE	$17½	17⅛	17½	+⅛
865	CCL A	$27½	27¼	27¼	
12120	CDistb B I	$8	8	6	
955	Cad Frv	$16⅛	15⅞	16	
16864	C Nor West	$24⅜	24⅛	24⅜	+½
6950	C Packrs	$29½	29¼	29¼	—⅜
5560	Can Trust	$33	32⅞	33	+⅛
57801	Cl Bk Com	$29¼	29	29¼	+⅛
1300	Cdn Nat Re	28	28	28	
40082	CTire A I	$8¾	8½	8⅝	
1398	C Util B	$17	16⅞	17	
950	Cara	$11	10¾	10¾	—¼
55	Celanese	$7⅛	7⅛	7⅛	—⅛
16	C Distb A	$6	8	6	—¼
12120	CDistb B I	$8	6	6	
1641	CTL Bank	$10⅛	10	10⅛	—⅛
1800	Conventrs	$5¾	5¾	5¾	
500	Conwest A	$8¼	8¼	8¼	+¼
4400	Coseka R	275	270	275	+5
30	Canron A	$16½	16½	16½	—¼
2400	Crownx	$17¼	17⅛	17⅛	—⅛
17450	Czar Res	164	152	164	+7
33571	Daon Dev	420	416	415	
1100	Daon A	390	385	385	+5
18995	Denison A p	$11¾	11	11⅛	—⅝
18470	Denison B I	$11	10⅝	10⅝	—⅜
1100	Develcon	$7⅜	7½	7⅛	—⅛
37892	Dickson A f	$6½	6	6⅜	+⅛
5134	Dicknsn B	$6¼	5⅞	6¼	+⅛
2712	Doman A	220	215	215	—5
32923	Dofasco A	$27⅛	27	27	—⅛
670	Du Pont A	$16½	16½	16½	
3613	Dylex A	$39¾	39¼	39¾	+½
2827	Elcthom X	$8⅝	8½	8⅝	
70800	Equity Svr	$7⅜	7⅛	7⅜	+¾
1050	FCA Intl	$20	19¾	19¾	—¼
1285	C Falcon C	$18	18	18	+¼
4100	Ficnbridge	$97½	97	97½	+¾
3435	Fed Ind A	$22⅛	22	22	
200	F City Fin	$12¾	12¾	12¾	+¼
212	Fraser	$16	18	18	
300	Fruehauf	$24¾	24¾	24¾	+¾
1300	Gendis A	$27⅛	27	27	—⅜
2700	Geac Comp	$10¾	10¾	10¾	
24996	Geocrude	274	266	270	+5
700	Gibraltar	$9⅝	8⅝	8⅝	+⅛
19425	Goldcorp I	$7⅛	7	7⅛	
100	Goodyear	$42	42	42	+¼
2000	Granduc	46	46	46	—2
400	GL Forest	$89¾	89¾	89¾	
25	Greyhnd	$26⅛	26⅛	26⅛	
398	Hawker	$20⅝	20⅝	20⅝	+⅛
1151	Hayes D	$11½	11	11½	
3283	H Bay Co	$17⅜	17⅜	17⅜	—⅛
34282	Imasco	$28⅛	27⅞	28	+⅛
500	Inglis	$15⅞	15⅞	15⅞	+¼
300	Inland Gas	$16	16	16	
9700	Intl Thom	$6½	6⅝	6½	+⅛
2500	Intpr Pipe	$37½	37½	37½	
506	Jannock	$11	11	11	
11000	Kam Kotia	123	118	133	+12
22	Kerr Add	$16⅛	16⅛	16⅛	
27206	Labatt	$23⅛	22¾	22⅞	
82722	Lac Mnrls	$31¾	31⅛	31¼	+1⅜
5190	Lacana	$12¾	12½	12⅝	+⅛
530	LL Lac	$35	34½	35	+1¾
2216	Loblaw Co	$17½	17⅜	17⅜	—⅛
2712	Mclan H X	$25⅛	25	25	
3071	Merland E	415	410	415	
30750	Molson A I	$16	18	18	+⅛
300	Molson B	$18	18	18	
970	Nabisco L	$26	25¾	25¾	+⅛
38709	Noranda	$18	18¾	18⅞	+¼
4426	Norcen	$15¼	15	15¼	+¾
46016	Nva AltA 1	$6½	6⅜	6½	+⅛
4995	Nowsco W	$23¼	22¾	23¼	+¾
19185	NuWst sp A	50	49½	50	
1700	Oakwood	$7	6⅞	7	+⅛
7550	Oshawa A 1	$24¼	24	24	
27150	Pamour	$7⅜	6⅞	7¼	+¾
28650	PanCan P	$30½	30	30⅜	+¾
1000	Pembina	$17¾	17⅝	17⅝	—½
350	Phonx Oil	$7½	7½	7½	+¼
50	Pine Point	$27½	27½	27½	—¼
500	Place GO s	117	117	117	+2
60125	Placer	$26	25¾	25⅞	+⅝
10176	Que Sturg s	450	425	435	+16
7980	Rayrock f	$8½	8¼	8½	+¼
22900	Redpath	$11⅞	11½	11⅞	+⅜
180263	Rd Stenhs A	$23⅞	23	23⅝	+⅝
15	Reichhold	$14⅝	14⅝	14⅝	—¼
36300	Res Serv I	270	266	266	+3
4118	Revn Prp A	125	125	125	—5
200	Rogers A	$9⅝	9⅝	9⅝	
2200	Roman	$16	9¾	16	—½
100	Rothman	$41	41	41	—⅛
6300	Sceptre	$6⅛	6	6	+⅛
900	Scotts I.	$22	21⅞	22	+⅛
30196	Sears Can	$7⅝	7¼	7¼	—¼
122940	Shell Can	$27	26⅝	26¾	+⅝
133280	Sherritt	$6⅝	6⅝	6⅝	+⅛
428	Sigma	$6½	6½	6½	+¼
200	Southm	$58½	58½	58½	—¼
3400	St Brodcst	$12¼	12¼	12¼	—⅜
5983	Stelco A	$20¾	20⅝	20½	
10800	Sulpetro	320	316	320	+16
1025	Steep R	265	265	265	—16
20	Suncor pr	$24⅜	24⅜	24⅜	—⅝
16700	Sydney s	24	23	23½	+½
4500	Talcorp	103	100	100	
52100	Tara	$21¾	20½	21¾	+1¾
940	Teck Cor	$11¾	11⅝	11⅝	
47230	Teck B I	$12	11⅝	12	+⅜
200	Teledyne	$11½	11½	11⅛	
6180	Tex Can	$33¼	33	33¼	+⅝
3900	Thom N A	$58	57¾	58	
40327	Tor Dm 6	$19¼	19⅛	19⅛	
17500	Torstar B 1	$15½	18¼	19½	—⅛
601	Traders A f	$22⅞	22½	22¾	
1200	Trinity Res	430	416	410	+5
9497	TrnAlta UA	$25	24¾	24⅞	+¼
90076	TrCan PL	$23⅞	23⅝	23⅝	+⅛
4453	Trimac	435	430	435	+15
100	Trizec A I	$27¾	27¾	27¾	
16500	Turbo 1	$8	56	56	
700	Un Carbd	$11¾	11¾	11¾	—¼
7394	U Entprise	$11⅛	11	11	—½
3900	U Keno	$11¼	10⅞	11¼	+¼
1000	U Siscoe	116	110	116	—5
600	Van Der	255	255	255	—5
8400	Versd A 1	$7⅛	7	7⅛	+⅛
400	Vestgron	$12	12	12	
3500	Westmn	$14	13¾	15⅞	+⅛
100	Westnhse	$57½	57⅛	57½	
450	Weston	$75	75	75	
1488	Woodwd A	$12½	12½	12½	+⅛
43380	Yk Bear	$12⅞	12¾	12⅞	

Total sales 9,478,333 shares

MONTREAL
Closing prices March 26

Sales	Stock	High	Low	Close	Chng
19242	Bank Mont	$25⅞	25⅝	25¾	—⅛
200	CIL	$28	28	28	—⅛
937	ConBath	$17⅜	17⅜	17⅜	
2733	DomTxtA	$11⅞	11¾	11⅞	+⅛
740	MntTrst	$13¾	13¾	13¾	—¼
200478	NatBk Cda	$17¾	17½	17⅝	
8238	Power Corp	$32½	32⅛	32⅛	—⅛
1200	RolandA	$22½	22⅜	22⅜	—⅛
12412	Royal Bank	$28⅞	28¼	28⅛	—¼
325	RoyTrstco	$19¼	19¼	19¼	

Total Sales 1,795,844 shares

OVER-THE-COUNTER *Nasdaq national market, 2.30pm prices*

Stock	Sales (Hhds)	High	Low	Last	Chng
[illegible]					

Continued on Page 50

LONDON

Chief price changes
(in pence unless otherwise indicated)

RISES

Tr 13¼ pc 97	£[illegible]	+ [illegible]
Aberdeen Am Pet	[illegible]	+ 8
Babcock Intl	[illegible]	+ 8
Beecham	[illegible]	+ 8
BAe	413	+ 15
Brit Telecom	142	+ 3
Comm Union	205	+ 6
Delta Group	144½	+ 6
Jantar	24	+ [illegible]
Miss World	280	+ 30
North Kalgurli	44½	+ [illegible]
Other Expl	43	+ 10
Prudential	815	+ 20
Sons of Gwalia	85	+ 8
Trident Comp	76	+ 8
UBM	187	+ 28

FALLS

Tr. 2% I.L. 20	202¼	— [illegible]
BAT Inds	328	— 22
Coats Patons	152	— [illegible]
GEE (Cecil)	170	— 15
Horizon Travel	122	— 8
ICI	775	— 13
Jaguar	300	— [illegible]
Lucas Inds	267	— 7
Morgan Crucible	213	— [illegible]
Norcros	153	— [illegible]
Ocean Transport	163	— [illegible]
Spectrum	80	— [illegible]
Thorn EMI	467	— [illegible]
Waring & Gillow	147	— 8

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 41

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close	Prev. Close
[illegible]										

LONDON STOCK EXCHANGE

MARKET REPORT

Gilts respond strongly as soaring pound revives hopes of lower base rates

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Mar 11	Mar 21	Mar 22	Apr 1
Mar 25	Apr 11	Apr 12	Apr 22
Apr 15	Apr 25	Apr 26	May 7

* "New-time" dealings may take place from 2.30 am two business days earlier.

A strong performance by sterling—the rate jumped 5¼ cents to $1.2390 as the dollar weakened internationally — aroused speculation about UK interest rates in London financial markets yesterday. Operators who had been concerned that the authorities would be unwilling to see rates fall too quickly began to change their views. Consequently, confidence began to increase about another small reduction in bank base rates, perhaps before the Easter holiday.

Falling money market rates—three month interbank came back to 13⅞ per cent—reinforced these hopes, which were particularly strong in the Gilt-edged sector. Foreign funds, attracted not only by sterling, but also by the present high level of UK interest rates, forced longer-dated stocks up and after-hours, selected issues were a point higher on the session. Domestic demand was also in evidence, but financial year-end considerations tended to restrict institutional business. Late in the day, the authorities' supply of Exchequer 11 per cent 1991 was exhausted at 96¼.

Money shortages continued to impede trade among the shorts which made only limited progress, while index-linked Gilts suffered from further switching to conventional stocks. The latter have weakened progressively since the Chancellor made known his views about the rate of inflation; many stocks fell ½ more yesterday to extend losses over the past week to some 4 points.

Leading shares continued to disappoint and the overall trend was again a shade lower. Secondary and situation stocks, on the other hand, claimed considerable attention and provided a host of good features. Another deluge of company results also stimulated interest and British Aerospace benefited further from an impressive preliminary statement.

Any group with overseas earnings potential, or recently favoured by U.S. investors, lost ground, however. ICI were a good example at 775p, down 13, along with Jaguar, which gave up 14 at 300p. Bats slipped back 22 to 328p. The FT Ordinary share index closed 2.7 off at 979.3, after having shown a marginal rise at the 11.00 am calculation.

Prudential pleases

Life issues made the running in Insurances, stimulated by better-than-expected preliminary figures from both Prudential and Britannic; the former touched 625p before closing 28 higher at 615p, while the latter finished 14 dearer at 692p, after 700p. Legal and General jumped 20 to 705p, after 713p, in anticipation of today's annual figures, while Sun Life gained 18 to 840p, after 850p. Refuge put on 7 at 342p. Composites also strengthened and revived takeover speculation in Commercial Union prompted a fresh gain of 8 to 205p. Sun Alliance rose 15 to 475p and General Accident 12 to 607p. Royals put on 10 to 595p and GRE 15 to 698p, the latter in front of Wednesday's preliminary figures. Lloyds Brokers were affected by the fresh fall in the dollar and Willis Faber dropped 13 to 665p, after 657p.

Reflecting a continuation of fading takeover hopes, Royal Bank of Scotland lost 7 more for a two-day decline of 12 to 276p.

News that two directors had increased their holdings in the company sparked off good support for Sangers which raced up to 69p before profit-taking left the close just a penny dearer on balance at 63p; the new nil paid shares settled 2 higher at 62p premium, after 67p premium.

Arthur Bell fell 5 to 143p for a two-day decline of 17 owing to a cautious Press reception of the interim statement. Among subdued Breweries, Matthew Brown, the subject of an unwelcome bid from Scottish and Newcastle, eased a couple of pence to 428p; it was announced after-hours that Whitbread Investment controls just under 9 per cent of Brown's equity.

Early attention in the Building sector centred on UBM and Norcros following the latter's agreed share exchange, or cash alternative, bid worth £119m; dealings in UBM restarted at 190p and the close was 187p, some 28 above the previous day's suspension price. Norcros resumed at 159p, compared with the suspension price of 167p, and fell away to close 14 lower at 153p.

Among the companies reporting trading news, Ben Bailey fell 5 to 27p following dismal half-year figures and dividend reduction, but Gibbs and Dandy "A" gained a penny to 28p in reply to satisfactory preliminary results. Bryant Holdings lost a penny to 75p, the cautious view on future trading eclipsing good half-year figures.

Cecil Gee disappoints

Leading Stores shrugged aside recent concern over the present high level of mortgage rates and displayed gains across the board. Gussies "A" highlighted with a rise of 15 to 783p, after 787p, while revived takeover speculation lifted Debenhams 7 to 214p. Burton hardened a couple of pence to 458p after announcing interim profits at the top end of market estimates. Waring and Gillow, initially firmer at 156p, dipped to 147p, a net fall of 6 following the agreed terms from Hopecastle, the consortium headed by Mr Cyril Spencer. Menswear retailing chain Cecil Gee slumped 15 to 170p following disappointing full-year results.

Thorn EMI, the subject of a broker's adverse circular, fell 10 further to 402p, after 399p, on fresh concern about its Inmos subsidiary in the wake of the latter's decision to cut working hours at its plant in Newport. GEC lost 4 more to 182p after further consideration of the £34m purchase of the Yarrow warship yard on the Clyde. British Telecom, on the other hand, attracted good institutional interest and firmed 4 more to close at a new peak of 142p. BICC revived with a rise of 7 at 252p. Elsewhere, VG Instruments put on 6 to 278p in response to the good annual results, while Energy Services gained 3 to 70p following renewed speculative buying and talk of an imminent overseas bid of around 90p per share.

Babcock stood out in Engineerings, rising 8 to 152p, after 154p, in response to better-than-expected annual results and the chairman's confident statement regarding prospects. Delta gained 8 more for a two-day rise of 11 to 144½p following comment on the preliminary figures, while Yarrow reflected compensation hopes with a rise of 30 to 500p.

Following Tuesday's late surge to 158p on rumours that S. and W. Berisford might sell its near 15 per cent stake in the company, Ranks Hovis McDougall encountered profit-taking in the absence of developments; the price reacted to 148p before renewed demand left the close just 4 cheaper on balance at 154p.

BAe up again

British Aerospace were outstanding again among miscellaneous industrials, rising 15 more to 413p, after 417p, following comment on the excellent annual results. Among other leaders, Beecham were notable for a gain of 8 to 380p, but Glaxo were affected by the dollar's weakness and gave up ¼ at £11¼. Elsewhere, Trident Computer Services were marked up 6 to 76p on news of the share-exchange bid from Park Place, 4 higher at 161p. Asset value considerations prompted a fresh improvement of 4 to 327p in Manchester Ship Canal, while James Wilkes responded to revived speculative support with a gain of 30 to 255p. Details of the 20p per share cash bid from Corporation Development International and proposed rights issues if the deal is completed caused gyrations in The Times Veneer, which dropped to 23p before recovering to close unchanged at the overnight level of 45p. Evered rose 8 to 193p on buying ahead of next Tuesday's results, while Christies International, scheduled to announce results the same day, closed 16 higher at 626p. Morgan Crucible fell 12 to 213p, after 210p, on the proposed £20.7m rights issue which accompanied the results, while Bespak lost 8 to 207p following the call for fresh funds of nearly £5m.

One-time bid favourite Horizon Travel came under selling pressure and fell 6 to 122p. Elsewhere in the Leisure sector, Miss World rose 30 more to 280p awaiting news from the annual meeting, but Spectrum encountered selling in an unwilling market and slumped 18 to a 1984-85 low of 80p.

The fresh strength of sterling promoted marked weakness in major dollar earner Jaguar which dipped 14 to 300p. Elsewhere in mixed Motor sectors, Lucas Industries met increased nervous selling in front of today's half-timer and gave up 7 for a two-day decline of 15 at 267p.

Excellent company trading statements gave impetus to Paper/Printings. DRG featured with a gain of 8 to 175p reflecting satisfaction with the annual results, while Bunzl, also announcing preliminary figures, hardened 3 more to 488p. Publishers were subdued, although Associated Book attained a new peak of 490p before settling a net 7 to the good at 480p following the annual results and proposed 100 per cent scrip issue.

Leading Properties suffered from lack of interest and closed on a dull note. Land Securities settled 4 off at 292p and MEPC 3 easier at 307p.

Ocean Transport and Trading, the subject of "put" option business, dipped to 160p before settling a net 8 lower at 163p; the increased annual profits and dividend were eclipsed by the cautious tenor of the accompanying statement.

Among Textiles, Coats Patons dipped 8 to 152p after revealing preliminary profits slightly below market expectations.

Up to 361p in immediate response to the full-year results, Bats thereafter drifted lower following a closer examination of the figures and finished 22 down on balance at 328p, after 325p; sentiment was also adversely affected by the current buoyancy of sterling.

Oils easier

The latest advance by sterling against the dollar deterred overseas buying interest in the leading oils which tended to drift lower throughout the session. BP closed 5 cheaper at 553p and Royal Dutch gave up ¼ to £45¼.

Secondary stocks were much livelier. Aberdeen American Petroleum rose 8 to 108p following encouraging exploration news, while the announcement that Canada Northwest Energy had increased its shareholding in Marinex to 56.29 per cent boosted the latter 6 to 86p. Sharply increased earnings failed to inspire Sovereign Oil which eased 5 to 195p. Petranol gave up a like amount to 270p despite news that the Kuwait Investment Office has lifted its stake in the company to 5.74 per cent.

Golds firmer

A sharp fall in the dollar and continuing rumours of problems among U.S. savings and loan banks gave a further boost to the bullion which jumped to around $334 an ounce in the afternoon before easing a shade to close a net $7.75 higher at $331.75 — a two-day gain of $16.

Gold and related issues consequently gained further ground although the major gold share sector — South African issues — suffered in terms of sterling quotations from the substantial rise in the pound against the dollar. Although significantly higher in dollar terms South African Golds were only marginally firmer in sterling terms and the Gold Mines index could only manage a 1.8 improvement at 502.1.

Bermudan-domiciled Minorco retreated 50 to 700p following the disappointing interim results.

Australians mining markets surged ahead across a broad front, led by gold issues. In the leading rank, Gold Mines of Kalgoorlie jumped 25 to 435p, while Central Norseman and Poseidon gained 10 apiece to 398p and 220p respectively. North Kalgurli raced higher to close 6½ firmer at 44½p. Speculative Golds were also bought. Otter Exploration were finally 10 up at 43p, Sons of Gwalia 8 to the good at a record 85p and Australian Consolidated Minerals 4 firmer at 1984-85 high of 43p.

Elsewhere former tin producer Jantar more than doubled to touch 27p before settling a net 10½ higher at 24p following the five-fold increase in the dividend payment and sharply higher preliminary profits.

Total contracts struck in Traded Options amounted to 7,191. Demand was of a selective nature, however, with most of the session's interest centred on three stocks. Bats were understandably lively following the preliminary results and in an evenly-balanced business recorded 865 calls and 857 puts. Sterling's strength and its effect on the underlying share price prompted another active trade in Jaguar which accounted for 397 calls, while British Telecom remained in the limelight, attracting 1,100 calls.

FINANCIAL TIMES STOCK INDICES

	Mar. 27	Mar. 26	Mar. 25	Mar. 22	Mar. 21	Mar. 20	year ago
Government Secs.	81.06	80.78	80.74	80.76	80.83	82.67	83.12
Fixed Interest	84.68	84.63	84.64	84.66	84.48	84.37	87.05
Ordinary	979.3	982.0	989.2	988.4	993.1	1001.2	873.3
Gold Mines	502.1	500.3	482.7	505.4	491.2	617.7	628.8
Ord. Div. Yield	4.64	4.61	4.57	4.67	4.58	4.54	4.37
Earnings, Yld.% (full)	11.66	11.42	11.66	11.66	11.33	11.26	2.72
P/E Ratio (net) (*)	10.62	10.66	10.76	12.73	10.73	12.81	16.39
Total bargains (Est.)	26,266	26,687	27,782	26,442	37,320	26,668	29,146
Equity turnover £m.	—	342.83	288.23	414.04	462.24	409.60	317.58
Equity bargains	—	24,386	26,119	22,800	26,984	22,350	22,117
Shares traded (ml)	—	184.8	166.3	217.4	237.6	209.3	176.2

10 am 982.4. 11 am 983.3. Noon 981.5. 1 pm 980.2. 2 pm 980.2. 3 pm 980.4.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

*Nil=10.25.

HIGHS AND LOWS

—	1984/85 High	1984/85 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.77 (9/1/84)	74.72 (30/7/84)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.48 (14/3/84)	80.43 (30/7/84)	150.4 (28/11/47)	50.66 (3/1/75)
Ordinary	1024.6 (22/1/85)	755.6 (25/7/84)	1024.3 (21/1/85)	42.4 (26/6/40)
Gold Mines	711.7 (8/3/84)	452.3 (23/1/85)	734.7 (15/2/83)	46.6 (26/10/71)

S.E. ACTIVITY INDICES

	Mar. 26	Mar. 23
Daily Gilt Edged Bargains	148.4	147.2
Equities Bargains	158.2	169.2
Equities Value	692.2	584.0
5-day Average Gilt Edged Bargains	150.6	162.8
Equities Bargains	166.1	182.8
Equities Value	774.4	771.2

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed March 27 1985 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	Tues March 26 Index No.	Mon March 25 Index No.	Fri March 22 Index No.	Thur March 21 Index No.	Year ago (approx.) Index No.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST

PRICE INDICES	Wed March 27	Day's change %	Tues March 26	xd adj. today	xd adj. 1985 to date
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AVERAGE GROSS REDEMPTION YIELDS	Wed March 27	Tues March 26	Year ago (approx.)
[illegible]	[illegible]	[illegible]	[illegible]

BRITISH GOVERNMENT INDEX-LINKED STOCKS

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

NEW HIGHS AND LOWS FOR 1984/5

NEW HIGHS (93)

NEW LOWS (13)

[illegible]

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns, Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Fin. and Props.	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantations	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Others	[illegible]	[illegible]	[illegible]
Totals	589	712	1,422

EUROPEAN OPTIONS EXCHANGE

Series	May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACT: 20,205

A=Ask B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price p	+or-	Net div.	Times covered	Gross yield	P/E Ratio
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price £	+or-
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

RIGHTS OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1984/85 High	1984/85 Low	Stock	Closing price p	+or-
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Renunciation date usually last day for dealing free of stamp duty. [illegible]

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Mar 18	Mar 29	June 27	July 8
Apr 1	Apr 19	July 11	July 22
Apr 22	May 3	July 25	Aug 5

For rate indications see end of Share Information Service

Call options were taken out in Polly Peck, Sound Diffusion, BSG International, North Kalgurli, Chaterhall, Acorn Computer, Blackwood Hodge, Metals Exploration, Carless Capel and Leonard, Westland, James Finlay, Eglinton Oil and Gas, L. & J. Hyman, Barratt Developments, Tranwood, Pentland, Bristol Oil and Minerals, Applied Holographics and Churchill Energy. Puts were struck in Riley Leisure, E.R.I.C., Standard Telephones and Cables, "The Times" Veneer, and Ocean Transport and Trading, while doubles were transacted in Morgan Crucible, Crystalate and Dominion International.

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
[illegible]	[illegible]	[illegible]	[illegible]

* Nil-paid. * Price at suspension.

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change
[illegible]	[illegible]	[illegible]

LONDON TRADED OPTIONS

Option	Calls Apr.	Calls Jly.	Calls Oct.	Puts Apr.	Puts Jly.	Puts Oct.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls June	Calls Sept.	Calls Dec.	Puts June	Puts Sept.	Puts Dec.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Mar. 27. Total contracts 7,191 Calls 3,062 Puts 2,128 (?) * Underlying security price.

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1984-85 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
98 15/16	93 1/16	Treas 3pc 1985	98 15/16	+1/16	3.[illegible]	13.55
102 3/4	99 1/16	Treas 11 1/2pc 1985	99 1/2	+1/16	11.[illegible]	13.10
99 3/4	96 5/16	Treas 8 1/4pcCnv '85	98 3/4	+1/16	[illegible]	12.53
104 1/16	99 1/16	Exch. 12 1/4pc 1985	99 13/16	+1/8	12.[illegible]	12.23
103 13/16	99 1/16	Exch. 11 1/4pc '86	99 13/16	+1/16	11.[illegible]	11.92
102 1/16	96 1/16	Treas. 10pcCnv 1986	98 1/16 xd	.....	10.1[illegible]	11.80
94 1/16	88 1/4	Treas 3pc 1986	93 3/8	+1/8	[illegible]	8.90
102	96 1/4	Exch. 10 1/2pc Cv '86	98 1/2	+1/16	[illegible]	11.92
104 1/16	99 1/16	Treas 12pc 1986	100	+1/8	[illegible]	11.94
98 3/4	93 1/2	Treas 8 1/2pc 1984-86‡‡	96 1/16	+1/8	[illegible]	11.54
108 13/16	102 5/16	Exch. 14pc 1986	103 1/16 xd	+1/16	13.[illegible]	11.87
89 3/4	85	Exch. 2 1/2pc 1986	88 7/8	+1/8	[illegible]	9.95
107 11/16	100 13/16	Exch. 13 1/4pc 1987	102 1/16	+1/16	12.[illegible]	11.75
100 7/8	94 1/2	Treas 10 1/4pcCv '87	97 1/2	+1/16	[illegible]	11.74
87 3/4	83 1/2	Exch 2 1/2pc 1987	87 3/8	+1/8	[illegible]	9.90
101 1/16	94 1/2	Exch. 10 1/2pc 1987	97 13/16 xd	+1/16	[illegible]	11.68
92 1/4	87	Funding 6 1/2pc '85-87‡‡	91 1/4 xd	.....	7.[illegible]	11.54
99 5/8	92 7/8	Treas. 10pc 1987	96 5/8	+1/16	[illegible]	11.75
86 3/4	81 1/16	Treas 3pc 1987	86 1/8	.....	3.[illegible]	9.89
105	97 1/4	Treas. 12pc 1987	100 1/2 xd	+1/16	11.94	11.79
94 7/8	87 1/2	Treas 7 3/4pc 1985-88‡‡	92	+1/4	8.42	11.10
100 3/4	92 11/16	Exch 10 1/2pc '88	96 13/16	+1/16	10.83	11.70
98 1/16	89 11/16	Treas 9 3/4pc Cv '88	94 11/16	+1/16	10.30	11.76
83 1/2	77	Transport 3pc '78-88	83	+1/8	3.61	9.14
96 11/16	88 1/16	Treas. 9 1/2pc '88	93 1/2 xd	+1/4	10.16	11.80
106 1/4	94 13/16	Treas 11 1/2pc 1989	99 1/2	+1/4	11.56	11.65
96 11/16	87 11/16	Treas 9 1/2pc Cnv. '89	93 1/16 xd	+1/16	10.18	11.63
99 5/8	90 11/16	Treas 10 1/2pc 1989	95 7/8	+1/4	10.95	11.75
100 1/16	88 3/4	Exch 10pc 1989	94 1/16	+1/16	10.60	11.70
101 1/16	94 1/4	Exch 11pc 1989	97 1/16 xd	+1/16	11.29	11.74
85 1/4	77 1/2	Treas 5pc 1986-89	81 3/4 xd	+1/16	6.12	10.10
114 1/4	100 1/4	Treas 13pc 1990‡‡	105 3/4	+1/16	12.35	11.93
97 13/16	96 13/16	Exch 11pc 1990‡‡	97 3/8	+1/16	11.30	11.70
110 7/8	100 1/4	Exch. 12 1/2pc 1990	103 5/16	+1/4	12.10	11.68

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

AMERICANS—Cont.

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BEERS, WINES—Cont.

BUILDING, TIMBER, ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1984-85 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
104	65	Marley	88	+1	3.75	q2.2	6.1	9.9
86	40	Marling Ind. 10p	85	....	10.0	5.6	2.2	10.0
46	29	Marshall L'ay. 'A'	42	....	11.2	3.6	4.1	(15)
77	37	Marshall's Universal	68	....	2.0	♦	4.3	♦
89	77	Do. 7½pcCnRedPf £1	81	–1	7½%	—	11.2	—
30	20	Martin-Black	22ε	....	—	—	—	—
£108	£81	Mathesons 7¾%	£90	....	Q7¾%	2.3	11.0	—
435	287	Metal Box £1	414	–6	11.0	3.2	5.2	6.7
220	129	Metal Closures	156	–6	6.7	♦	5.8	♦
27	9	Metal Sciences 2½p	15	....	—	—	—	—
133	73	Midland Marts	88	....	—	—	—	—
80½	45	Mitchell Cotts	69xd	–½	4.0	1.0	6.5	11.1
225	132	Morgan Crucible	213	–12	4.0	1.5	8.3	9.0
*36	22	Morris (W) F.A. 20p	27	—	18.0	♦	5.5	♦
110	80	Moss (Robt.) 10p	99	....	0.5	♦	2.6	♦
330	197	MMW Computers	305	–2	12.5	2.3	3.6	14.3
65	35	Nash Inds.	35	....	6.0	3.0	2.8	17.0
48	30	Neil & Spencer 10p	36	–1	2.5	1.2	10.2	8.1
33	15	Newman Industries	29	–1	—	—	—	10.0
33½	16½	Do. 10pc Cm Cnv.Pf.	33½	....	10%	—	—	♦
67	39	Nokon	55	....	—	—	4.3	—
183	132	Norcros	153	–14	g1.1	4.5	2.9	9.2
86	53	Nu-Swift 5p	58	....	18.6	2.4	0.0	8.1
100	50	Oakwood Grp.	98	–3	12.4	3.2	5.9	7.6
190	135	Office & Elect.	165	+2	d4.5	1.4	7.1	11.2
108	88	Oldacre 20p	58	....	1.5	4.2	6.5	7.6
925	625	Oriflame Intl SA	875xd	–25	u4.0	2.6	6.5	7.8
46	11	Overstone 12½p	17	....	46.01	♦	7.6	♦
£175	£120	Ozalid 9pc Cnv 87-92	£173	....	104.5c	2.2	‡	3.9
190	105	PCT Grp 10p	170	+35	Q9%	—	—	—
£14	975	PLM 'B' Sk 25	£13½	....	g9.6	2.9	3.9	10.4
193	149	PSM Intl.	178	....	Q21.6%	♦	4.1	♦
62	40	Pacific Sales 10p	55xd	....	bg5.25	2.6	4.2	13.0
207	148	Parker Knoll 'A'	181xd	....	b2.4	2.2	6.2	(8.3)
375	197	Pauls	362	....	9.0	2.0	1.1	7.1
714	403	Pearson	698	–1	F13.0	2.5	5.1	15.9
35	18	Peak Holdings	28	+1	14.0	3.0	2.9	13.9
107	00	Peerless	98	....	—	—	—	—
545	55	Pentland 10p	549	+7	6.3	1.4	10.0	9.1
46	17	Pentos 10p	44	....	th1.74	4.1	0.5	57.4
63	27	Phillips Patents	47	....	0.35	♦	1.1	♦
£11	545	Photo-Me 50p	£11	....	1.25	—	3.8	—
*350	213	Pilkington Br. £1	297	–3	9.45	6.6	1.2	—
£315	£131	Pitney-Bowes Cnv. Ln.	£290	....	12.5	2.9	6.0	6.5

LEISURE—Continued

1984-85 High	Low	Stock	Price	+ or –	Div Net	C'vr
288	182	LWT	238	....	14.4	2.3
75	42	Leisuretime Int 10p.	62	....	2.1	♦
162	98	Magnt. Ag. M 10p	162ε	....	8.75	1.2
184	110	Media Tech Int 20p	157	....	b2.58	3.9
200	76	Medminster 10p	198	–4	14.85	2.6
270	138	Miss World 10p	270xd	+20	3.6	4.1
26	15	Nationwide Leis.	24	....	0.5	♦
46	9	Norwalo Int 20c	25	....	—	—
31½	14½	Owners Abroad	19½	....	0.75	6.1
66	33	Photax (Lon.)	42	....	—	—
29½	20	P'rilly Radio NV 5p	23½	....	1.07	♦
130	55	Pineapple Dnc St 10p	66	+1	d1.5	1.2
458	285	Pleasurama 5p	453	–3	9.2	♦
88½	75	Pres Entertain 50p	88½	+½	bg2.0	2.0
158	28	Radio City 'A' NV	28	....	5.6	0.4
70	45	Radio Clyde N/V	45	....	3.25	2.0
140	30	Riley Leisure 10p	56	+1	4.2	2.4
193	94	Saga Hols. 20p	193	....	4.0	♦
£10½	111	Samuelson Grp £1	960	+10	9.0	3.6
39	18	Sangers Photo 10p	37	–1	b2.0	1.1
202	130	Scantro 50p	202	....	bg3.68	2.2
190	98	Scott. TV 'A' 10p	148	–2	18.1	2.9
508	186	SeaCo Inc $0.125	382	–22	—	—
35	9	SelecTV 10p	12	....	—	—
145	80	Spectrum 5p	88	–10	d2.0	4.8
37	24	TSW 5p	28	..	1.5	2.6
157	79	TVS N/Vtg 10p	120	..	6.0	2.2
230	102½	Television Svts 50p	225	–5	u1.5	4.2
90	60	Tottenham Hotspur	78	—	t2.3	1.6
260	120	Trid'nt TV 'A' 10p	250	....	7.5	1.0
175	100	21st Century Dist	127½	....	—	—
197	115	Tyne Tees TV 'A' £1	145	....	10.5	2.5
181	53½	Ulster TV N/V 'A'	85	....	4.15	♦
28	11	Wrob (Jos.) 5p	21	–½	d0.51	1.0
26½	20½	Williams (Rex) 5p	24	....	u0.91	—
118	88	Zetters 5p	105	....	13.25	3.0

MOTORS, AIRCRAFT TRADES

Motors and Cycles

1984-85 High	Low	Stock	Price	+ or –	Div Net	C'vr
76	33	BL 50p	42	....	—	—
325	227	Gen. Mtr. Units	325	..	Q12c	—
557	294	Honda Motor Y50	461	+1	Q23%	8.6

MINES—Continued

Miscellaneous

1984-85 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
75	31	Anglo Utd. Dev.	42	....	—	—	—
410	155	Centennial Min'ls.	205	....	—	—	—
175	70	Colby Res Corp.	115	....	—	—	—
955	950	Cons. Murch. 10c	450	....	†Q100c	1.4	10.8
40	25	Ennex Int. Ir10p	35	....	—	—	—
252	150	Hampton Areas 10p	200	+3	3.75	2.1	2.5
260	140	Highwood Res.	210	–12	—	—	—
£24½	£16	Homestake Mining $1	£21⅞	+⅛	Q20c	—	8.8
295	135	McFinley Red Lake	285	+10	—	—	—
292	101	Musto Explorations	292	+12	—	—	—
55	25	New Sabina Res C$1	48	....	—	—	—
365	220	Northgate C$1	365	+5	—	—	—
718	500	RTZ	665	+3	†18.0	2.7	3.9
£155½	£113½	Do. 9½pcLn '95-2000	£144½	+1	Q9½%	35.4	6.7
£13⅛	850	Tara Expln $1	£12	+⅛	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♦ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♦ Same interim: reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- † Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¢¢ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or official estimates for 1984. M Dividend and ...

OPTIONS—3-month call rates

Industrials	p				
Allied-Lyons	16	GKN	11	Turner Newall	10
SAT	32	Hanson Tst.	17½	Unilever	85
BOC Grp.	25	Hawker Sidd	38	Vickers	19
BSR	16	Hse of Fraser	30	**Property**	
BTR	52	ICI	60	Brit Land	12
Babcock	24	'Imps'	19	Cap Counties	18
Barclays	48	Jaguar	28	Land Secs	25
Beecham	32	Ladbroke	24	MEPC	28
Blue Circle	45	Legal & Gen	58	Peachey	22
Boots	15	Lex Service	28	Samuel Props	14
Bowaters	20	Lloyds Bank	45	**Oils**	
Brit Aerospace	33	Lucas Inds	25	Brist. Oil & Min	4
Brit. Telecom	11	Marks & Spcr	11	Brit Petroleum	42
Brown (J.)	3	Midland Bk	30	Burmah Oil	18
Burton Ord	39	NEI	8	Charterhall	6
Cadburys	14	Nat West Bk	68	Premier	5
Comm Union	19	P & O Dfd.	36	Shell	60
Courtaulds	12½	Plessey	11	Tricentrol	18
Debenhams	17½	Polly Peck	25	Ultramar	19
Distillers	20	Racal Elect	18	**Mines**	
Dunlop	6	RHM	22	Charter Cons	18
FNFC	8½	Rank Org Ord.	32	Cons Gold	44
Gen Accident	45	Reed Intnl	80	Lonrho	14
Gen Electric	17	Sears	8	Rio T Zinc	56
Glaxo	85	TI	20		
Grand Met.	25	Tesco	20		
GUS 'A'	60	Thorn EMI	35		
Guardian	60	Trust Houses	13		

A selection of Options traded is given on the London Stock Exchange Report page.

"Recent Issues" and "Rights" Page 43

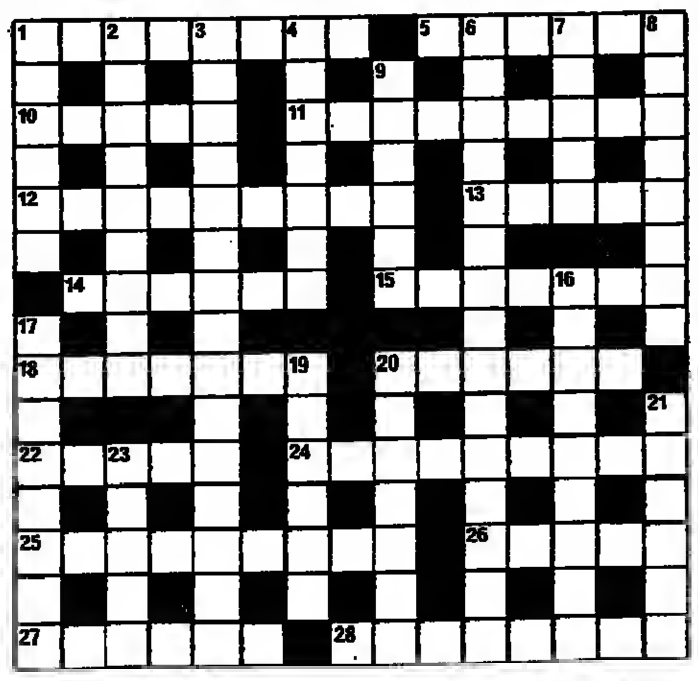
AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

UK Specialist Funds				
Growth Gilt Trust	30.9	31.7	-0.1	0.74
Recovery	78.4	83.6	-0.2	2.83
Smaller Cos.	112.1	139.6	+0.3	1.28
Spec. Mkt. Sits.	75.6	80.6	+0.1	1.30
UK Growth (Domestic)	32.2	34.3	+0.3	3.07
High Income Funds				
Extra Inc.	50.5	53.6	+0.1	7.98
Gilt	25.4	26.9	+0.1	9.82
Inc & Growth	152.3	162.4	-0.2	4.68
Nat. High Inc.	142.5	152.0	+0.6	6.14
Pref. Shares	17.2	18.3	+0.1	11.28

INSURANCES

F.T. CROSSWORD PUZZLE No. 5,680



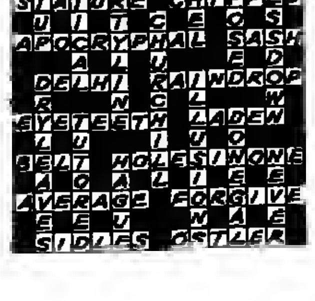
ACROSS

1 Whispered "the money'a ouiside" (8)
5 Drivers are using it, for a change (6)
10 One sittiog io a cleaner aeat (5)
11 Acceptable io a group that'a uninhibited (9)
12 In some way sensitive rogues one writes about (9)
13 Taken the fare? (5)
14 Rush like Elizabeth (6)
15 What shopkeepers are charging, around November 1. for aovereigns (7)
18 Promises to put an extra bit around the shelf (7)
20 Buildings we see in the hills (6)
22 Stopped a number leaving and relaxed (5)
24 Seemingly bad mood of campanologist (9)
25 His policy is not the right ooe (9)
26 Double on starts game off (5)
27 After parking io side turnjog, left to drive away (6)
28 Just ioside good French seaside towo (8)

DOWN

1 Better help the soldiers up (6)
2 Detailed to be a real doctor (9)
3 Sports day event for Manxmen? (5-6, 4)
4 Charm is for men without capital, love! (7)
6 Attendants found in the maternity hospital? (6-2-7)
7 The opinon of meo leaving the building? (5)
8 Being honest, I'd upset a man in pursuit of pleasure (8)
9 Guys will get out of bed for sauce! (6)
16 Bird, the leading Redruth doctor, managed to get into bed (9)
17 With half of the apples—tweoty-two is satisfied (8)
19 The nurse who, io Paris, swallowed a spangle (6)
20 To start with it's just like Daisy—browner! (7)
21 Regulate first gas cooker around mid-afternoon (6)
23 Asks round about a hundred, which is bags (5)

Solution to Puzzle No 5,679



INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$11.69	—	+0.02	—

Inv. Adv. M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St George's St, Douglas IoM. 0624 25015

Wren Com Fund	12.8	13.4	3.10
Chinese Fund	58.2	60.6	3.70
Precious Metal Fund	67.3	70.1	6.30
Vanguard Cmdy. Fd	19.3	19.8	0.00
Financial Futures Fd.	32.1	33.5	—

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg

Dynamic Gwth Fd	$8.64	-1	-0.07	—

Money Market Trust Funds

The Money Market Trust
63 Qn Victoria St, EC4N 4ST. 01-236 0952

	Nom	CAO	Int Cr	Notice
Call Fnd	14.28	14.93	6-mth	Call
7-day Fnd	14.28	14.93	6-mth	7-day

Oppenheimer Money Management Ltd
66 Cannon St, EC4N 6AE. 01-236 1425

	Nom	CAO	Int Cr	Notice
Call Fnd	14.41	14.92	6-mth	Call
7-day Fund	14.45	14.97	6-mth	7-day
Dollar	6.87	6.98	6-mth	2-day
Money Mngt. Acct	14.00	14.75	3-mth	Call

Money Market Bank Accounts

Aitken Hume
30 City Road, EC1Y 2AY. 01-638 6070

	Nom	CAO	Int Cr	Notice
Treasury Acc.	13.75	14.48	Qtr	Call
Mth. Int. Chq	13.50	14.37	Mthl	Call

Bank of Scotland
38 Threadneedle St, EC2P 2EH. 01-628 8060

	Nom	CAO	Int Cr	Notice
Cheque Acc.	13.00	13.00	Mthl	Call

Barclays Prime Account
PO Box 125, Northampton 0604 252891

	Nom	CAO	Int Cr	Notice
High Int Cheque	13.50	14.19	Qtr	Call

Britannia Grp of Investment Companies
29 Finsbury Circus, EC2M 5QL. 01-588 2777

	Nom	CAO	Int Cr	Notice
Cater Allen	13.25	14.09	Mthl	Call

Charterhouse Japhet plc
1 Paternoster Row, EC4M 7DH. 01-248 3999

	Nom	CAO	Int Cr	Notice
Sterling	13.25	14.085	Mthl	Call
U S Dollar	8.0	8.330	Mthl	Call
German Marks	5.0	5.115	Mthl	Call
Swiss Francs	2.0	2.018	Mthl	Call
Japanese Yen	5.0	5.115	Mthl	Call

Co-operative Bank
78-80 Cornhill EC3 01-626 6543 Ex 464

	Nom	CAO	Int Cr	Notice
Under £1,000	12.00	12.55	Qtr	Call
Over £1,000	14.00	14.75	Qtr	Call

Dartington & Co Ltd
Dartington, Totnes, Devon TQ9 6JE. 0803 862271

	Nom	CAO	Int Cr	Notice
Money Mkt Acc.	13.50	14.20	Qtr	Call

Henderson/Bank of Scotland
38 Threadneedle St EC2P 2EH 01-628 8060

	Nom	CAO	Int Cr	Notice
Money Mkt. Cheque Acc.	13.0	13.80	Mthl	Call

Lombard North Central PLC
17 Bruton St, W1A 3DH. 01-409 3434

	Nom	CAO	Int Cr	Notice
14-Day Notice	13.25	13.68	Rate	14-day

M & G/Kleinwort Benson
91-99 New London Rd, Chelmsford. 0245 51651

	Nom	CAO	Int Cr	Notice
High Int Cheque Acc.	13.50	14.40	Daily	Call

Midland Bank plc
PO Box 2, Sheffield 0742 20999 Ext 8738

	Nom	CAO	Int Cr	Notice
High Int Chq.	13.04	13.69	Qtr	Call

Provincial Trust (formerly Choularton)
30 Ashley Rd, Altrincham, Cheshire, WA14 2DW 061-928 9011

	Nom	CAO	Int Cr	Notice
Cheque Acc	14.00	14.93	Mthl	Call

Save & Prosper/Robert Fleming
28 Western Rd, Romford RM1 3LB 0708 66966

	Nom	CAO	Int Cr	Notice
High Int Bk Acc.	13.19	14.10	Daily	Call
Premier Acc.	13.19	14.10	Daily	Call

Tyndall & Co
29-33 Princess Victoria St, Bristol BS8 4BX. 0272 732241

	Nom	CAO	Int Cr	Notice
Demand Acc	13.88	14.63	Qtr	Call
Money Acc	13.75	14.47	Qtr	Chq/7

J. Henry Schroder Wagg & Co Ltd
Enterprise House, Portsmouth 0705 827733

	Nom	CAO	Int Cr	Notice
Special Acc	14.00	14.93	Mthl	Call
Over £10 000	14.25	15.22	Mthl	Call

Notes. CAR = compounded annual rate. Int Cr - frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium assurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ● Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ⊕ Yield column shows annualised rates of NAV increase.

COMMODITIES AND AGRICULTURE

Currency chaos hits metals

BY JOHN EDWARDS, COMMODITIES EDITOR

LONDON METAL markets were in a chaotic state yesterday following the renewed decline in the value of the dollar. While gold, platinum and silver prices forged ahead, there were heavy losses in the sterling quotations of base metals on the London Metal Exchange.

The three months price of higher grade copper plunged by £46.75 to close at £1,171.25 a tonne and dropped to £1,165 in after-hours dealings.

The decline in copper came in spite of a statement by Kennecott that it will be unable to fulfil its contracted delivery commitments of copper cathodes to overseas customers after July 1, because insufficient metal would be available after the closure of its Utah division, announced on Monday. The company is to declare force majeure on its overseas contracts. It is believed about 3,000 tonnes of copper a month are affected.

Kennecott added that three-month "evergreen" sales contracts for domestic customers were not being renewed after June 30 until the company had a clearer idea of its supply position.

The second biggest U.S. copper producer, Phelps Dodge, said it was closing its Ajo smelter in Arizona on April 4 for an indefinite period. The company said it could not justify spending $5m for pollution control equipment needed to allow the smelter to operate after the end of this year.

The closure of this small smelter, with an annual capacity to handle 180,000 short tons of concentrates, should have little impact since the present supply of concentrates are being switched to other smelters.

Nevertheless traders were surprised that there was only a modest rise in the dollar prices of copper on the New York market (Comex). In early dealings the May futures position on Comex was less than one cent higher, in spite of the Kennecott news and the lower dollar.

Other base metals suffered steep price declines in London, although dollar quotations were steady. Aluminium, lead, nickel and zinc were all marked down sharply. Tin values, however, were sustained by continued support buying by the buffer stock of the International Tin Council. As a result of this unexpected intervention, London tin values are now calculated to be at a premium over the Straits tin price in Malaysia. However, no one was quite certain of what was happening yesterday. As one dealer put it: "We might as well be foreign exchange dealers instead of metal traders."

Outlook gloomy for early EEC farm price deal

BY IVO DAWNAY IN BRUSSELS

THE PROSPECTS of an early agreement on EEC farm prices for 1985-86 looked distinctly gloomy yesterday after agriculture ministers ended three days of talks.

Several commented that a further week of negotiation beginning in Luxembourg on Monday may not be sufficient to complete a comprehensive deal.

The principal *sticking point* remains West Germany's insistence that its farmers suffer no reduction in cereals prices.

The European Commission is seeking a 3.5 per cent cut while the UK wants the full 5 per cent reduction, triggered by this year's bumper harvest under the guarantee threshold system.

There are also serious disputes with Italy and Greece over planned cuts in fruit and vegetable prices.

Sig Filippo Maria Pandolfi, the Italian farm minister currently presiding over the council, will fly to Germany this weekend for further talks with Herr Ignaz Kiechle, his West German counterpart.

The ministers agreed yesterday to roll-over existing price and intervention programmes for sheep, beef, dried fodder and milk for two weeks to allow payments to continue.

Distillate fuel oil stocks fall in America

U.S. STOCKS of distillate fuel oil sunk by 5.3m barrels last week to 106.7m barrels, the lowest point since last June, according to the American Petroleum Institute.

Distillate on had was almost 8.2m barrels below last year at this time.

Crude oil imports rose from 2.4m barrels in the week ending March 15 to 2.7m barrels at the end of last week. While crude imports declined from last year, product imports which have been steadily growing, jumped to 2.1m barrels, almost 300 barrels more than last year at this time.

Crude oil stocks moved ahead for the fifth week in succession to 334.2m barrels, more than 8m barrels available at the same time in 1984. Stocks of residual fuel oil held steady at about 46.9m barrels, almost 300 barrels ahead of last year.

● SILVER: The Chicago Board of Trade will begin trading tomorrow in options on 1,000-ounce silver futures, its first precious metals option contract.

● RUBBER: Floor trading on London's rubber futures market ends officially this week and all trading will be inter-office as from April 1, a spokesman for the London Rubber Terminal Market Association said. There has been virtually no trading on the floor since last October. The decision to move to inter-office trading was taken at the annual meeting of the London Terminal Market Association last November.

● SUGAR: The EEC Commission authorised the export of 42,000 tonnes of white sugar with a maximum subsidy of 43.84 European currency units per 100 kilos at its weekly tender yesterday. The result was in line with market predictions and had no impact on prices.

● COTTON: A programme to eradicate the boll weevil in cotton-growing areas of Arizona, California and northern Mexico has started with this spring's planting, the U.S. Agriculture Department said.

● SOYABEAN MEAL: The Commodity Futures Trading Commission has approved Mid-America Commodity Exchange's soyabean meal futures contract. Trading will begin on April 22.

Time runs out for tropical timber pact

Andrew Gowers reports on the threat to next week's signing

THE International Tropical Timber Agreement, designed to foster co-operation between producers and consumers in the $7bn-a-year tropical timber trade, is in trouble.

The pact, adopted by 36 producers and 33 consumers in November 1983 after nearly seven years of negotiation, is up for ratification by the beginning of next week. For it to enter into force provisionally, 10 producing countries and 14 consumers must formally set their seals on it by Sunday.

So far, although almost the necessary number of consumers have done so, only three producers — Indonesia, Malaysia and Gabon—are on board. Fears are growing that the other producers' apparent foot-dragging may scupper the entire accord.

If so, it will be another blow to the already battered credibility of North-South commodity agreements.

It could also have serious implications for the future of the world's tropical forests covering a vast belt across Asia, Africa and Latin America, which conservationist organisation, and concerned consumers say are being depleted at an alarming rate.

Advocates of the agreement are at a loss to explain why it has run into trouble with African and Latin American producers in this way. "They all seemed keen on the ITTA while it was being negotiated," said one puzzled Western representative this week.

For consumers, the agreement was something of a test for a new, more realistic approach to commodity pacts. In comparison with some of the more grandiose schemes dreamt up in the past, the ITTA set itself modest objectives.

The text agreed 18 months ago contained no provisions for price stabilisation—unlike the international agreements on rubber and tin, for example—and involved no great commitments of funds either from producing or consuming nations.

Instead, its aims were to be fourfold:

● To gather information on short- and long-term trends in the market for tropical timber.

● To help producing countries to replant trees and manage forests.

● To encourage producers to boost timber processing facilities to gain the maximum added value from their exports.

● To promote research and development in the tropical timber industry.

When the ITTA negotiations started, consumers — led by Japan, which imports nearly half of all internationally traded tropical timber and is acutely conscious of its dependence on these supplies—were getting worried at what they saw at threats to future supply resulting from wasteful exploitation of the forests.

For their part, the producers were aware that their natural forests—the source of virtually all tropical timber—were in effect a non-renewable resource. They want to boost their earnings from timber—a large proportion of the value of which comes from processing.

The idea of an Opec-style cartel, though initially attractive to some timber exporters, was thrown out because producers realised that the resulting high prices would merely encourage consumers to find alternative products.

Price stabilisation measures involving the use of a buffer stock were considered unnecessary as, in the words of a study by the International Institute for Environment and Development "the best buffer stock for tropical timber is clearly the standing trees in the forest."

Equally, plans put forward by the UN Conference on Trade and Development (Unctad) for a levy on tropical timber exports to pay for reafforestation programmes foundered on bitter opposition from the consuming side.

But the scaled-down agreement seemed, to many participants, workable.

All is not lost, however. If enough producers have not ratified the agreement by next week, Unctad will call together the ratifiers and the six other countries which have taken the initial step of signing the document.

That meeting, expected to take place in June, could result in an extension of the ratification deadline, or implementation of the pact just by those countries which already belong.

The latter course is one that would leave many consuming countries distinctly uneasy. Although it would include the two biggest current producers, Indonesia and Malaysia, it would leave out countries with huge reserves in Africa and Latin America, including Brazil.

Reagan's Farm Bill upsets congressmen

BY NANCY DUNNE IN WASHINGTON

THE Reagan Administration's 1985 Farm Bill, which proposes huge cuts in farm spending and dropping loan supports, is getting little support among farm-state congressmen, already worried about the deteriorating agricultural economy.

Instead, the two agriculture committees are being showered with alternative proposals.

The American Farm Bureau Federation, a conservative organisation which claims to be the biggest farm group, has released a moderate version of the Administration's Bill, which would retain some government protection for farm incomes. Like the Administration, the farm bureau recommends dropping loans to 75 per cent of the average five-year domestic price, excluding the high and low level.

However, the farm bureau would not phase subsidies out of existence, as Mr John Block, the U.S. agriculture Secretary, has proposed. Acreage-reduction and paid-diversion programmes would continue until 1989.

Mr Dan Glickman, an influential Kansas Democrat in the House of Representatives, has proposed a completely different alternative. He would establish a two-tier pricing system for wheat and feed grains, providing farmers with supported prices for grain production for domestic use, while grain sold for export would be at market level.

The congressmen's four-year proposal provides for grain production subsidies and lower loan rates. Diversion payments would be based on a farmer's actual production rather than acres set aside. Similar legislation is expected to appear in the Senate.

Mr Jesse Helms, chairman of the Senate agriculture committee, has introduced another "market-oriented" Farm Bill which would drop support prices but would also offer extensive assistance in promoting and financing exports.

Meanwhile, legislation has been introduced in both Houses to remove the blended credit programme and other agricultural export credit programmes from requirements that 50 per cent of all cargoes generated with government aid must be moved on U.S. vessels. A recent court ruling that blended credit grain must abide by the requirements has caused the suspension of U.S. shipments to several Middle-East countries. Sponsors of the legislation said they expect congressional approval and Administration support for their proposal.

Mr Robert Dole, the Senate Majority Leader, has urged Congress to get on with writing the Farm Bill before the current legislation runs out in September. Proposals simply to renew the law would cause "irreparable damage to American agriculture" which is losing foreign markets as a result of high price supports, he said.

U.S. tobacco acreage may fall to record low

By Nancy Dunne in Washington

AMERICAN tobacco acreage may fall to a record low of 361,000 acres this year, if planters carry out the intentions they have signalled to the U.S. Department of Agriculture.

The department said tobacco growers last month indicated they would reduce crop acreage by about 10 per cent from last year in response to an 8 per cent cut in the quota for flue-cured and a 22 per cent reduction for burley.

The smaller acreage, together with average yields, would lower the 1985 crop by about 15 to 20 per cent from last year's 1.74bn lb.

U.S. tobacco quotas are decided by referendums among the growers.

The 1984 tobacco crop boosted this year's domestic leaf supply to 5.47bn lb, 2.5 per cent above the previous year's.

Aid donors asked to back Africa projects

By James Buxton in Rome

THE UN Food and Agriculture Organisation will ask aid donors tomorrow to finance a set of projects for the rehabilitation of farming in [illegible] drought-stricken countries in Africa.

The aim of the projects is to get agriculture going again if and when the drought ends, and so reduce the ever-mounting burden which the need for food aid is putting on the donor countries.

The projects, devised by the FAO, should be under way within a few months and show results in less than three years. They are aimed at benefiting a large number of food producers and populations recently affected by natural calamities.

They include, for example, the development of fodder production, the resettling of displaced people, the supply of mobile veterinary units, the cleaning out of neglected irrigation canals and the supply of fertilisers.

The total value of all the projects devised by the FAO comes to $108m. They are in countries such as Sudan, Angola, Kenya and Zimbabwe. Ethiopia is not included because its rehabilitation needs were partially taken care of at a donors' meeting in January.

This week Mr Edouard Saouma, the FAO director-general, sketched an alarming picture of Africa's ever-growing needs for food aid. Too much food aid, he said, had the effect of changing people's diets and making farming uneconomic.

"We also want to avoid a crisis in the allocation of emergency food aid. If the crisis continues the international community might not be able to meet other aid needs in the rest of the world. There could be a crisis of resources," he said.

"The sum of $108m for these rehabilitation projects is ridiculous," he said. "It works out at only $5m for each country. These projects are almost symbolic, but they will stimulate governments and give them confidence in agriculture. They are just pump priming."

Tomorrow's meeting is not a pledging conference. It is aimed at getting aid donors to discuss and consider the projects, so that they can later decide which ones to back and implement.

LONDON MARKETS

COFFEE prices tumbled on the London futures market yesterday, mainly reflecting the dollar's continued decline against sterling. With no bullish factors emerging to cushion the fall and background sentiment already bearish this was enough to send the May position down £94.50 to £2,202 a tonne.

In contrast, the bullish background sentiment in the cocoa market counteracted much of the potential currency-inspired fall in that commodity. The May position finished only £12 down on the day at £2,035.50 a tonne.

COPPER

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grade	£	£	£	£
Cash	1158.5-9.5	-41.5	1161-2	-49
3 months	1179-80	-38.5	1171.5-5	-46.7
Settlem't	1159.5	-41.5	—	—
Cathodes				
Cash	1160-4	-57	1164-7	-47
3 months	1177-82	-38.5	1172-4	-43.8
Settlem't	1164	-43	—	—

Amalgamated Metal Trading reported that in the morning cash higher grade traded at £1159, three months £1171, 81, 79, 78, 73, 80, 79.5. Kerb: Higher Grade: Three months £1178, 71, 77.5, 75. Afternoon: Higher Grade: Three months £1177, 74, 75, 74, 73, 72, 73, 72.5, 73, 72, 71.5. Kerb: Higher Grade: Three months £1171.5, 72, 71, 70, 68, 67, 64, 65. Turnover: 21,225 tonnes. U.S. Producers: 67-70 cents per pound.

TIN

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —†
High Grade	£	£	£	£
Cash	9580-5	-72.5	9556-60	-52
3 months	9585-90	+16.5	9561-5	-88.5
Settlem't	9585	-75	—	—
Standard				
Cash	9580-5	-72.5	9555-60	-52
3 months	9575-6	-87.5	9556-60	-88.5
Settlem't	9585	-75	—	—
Straits E.	$59.16		—	—

Tin—Morning: Standard: Cash £9580, 85, three months £9550, 55, 60, 70, 60, 75, 76. Kerb: Three months £9565, 70. Afternoon: Standard: Three months £9560, 75, 70, 65, 50, 45, 50, 55, 56. High Grade: Three months £9590, 91. Kerb: Three months £9545, 50, 55, 60. Turnover: 2,380 tonnes.

LEAD

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —†
	£	£	£	£
Cash	295.5-6	-9.5	259.5-5.5	-10.5

MAIN PRICE CHANGES

In tonnes unless otherwise stated.

[illegible]

ALUMINIUM

[illegible]

NICKEL

[illegible]

GOLD

[illegible]

ZINC

[illegible]

SILVER

[illegible]

COCOA

[illegible]

COFFEE

[illegible]

INDICES

FINANCIAL TIMES

REUTERS

MOODY'S

DOW JONES

[illegible]

GRAINS

[illegible]

PIGMEAT

[illegible]

SUGAR

[illegible]

JUTE

[illegible]

COTTON

[illegible]

OIL

[illegible]

SOYABEAN MEAL

[illegible]

U.S. MARKETS

HEATING OIL came under heavy selling pressure after a higher opening due to a bullish report on industry distillate stocks; late trade and local selling demoralised the market as concerns about the Middle Eastern conflict became secondary, reports Heinold Commodities. Grains and soyabeans reflected foreign currency strength and advanced moderately except for soyaoil. Short-covering and commission house buying lifted maize and wheat slightly, while deferred soyabean contracts found support and rallied moderately. Precious metals maintained a firm tone despite late profit-taking on continued dollar weakness and lingering concerns over the status of U.S. banks. Copper firmed, reflecting the strength in precious metals and on reports that shipments by Kennecott to foreign customers will be disrupted after July 1 due to the closure of the Utah mine. Cocoa firmed on arbitrage buying prompted by strength to sterling. Coffee weakened on disappointed long liquidation as roaster buying remained lacklustre.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
March	49.00	—	—	48.85
April	49.15	—	—	48.95
May	49.50	49.50	49.25	49.35
July	50.50	50.30	50.10	50.75
Sept	51.15	—	—	50.95
Dec	52.40	52.60	52.20	52.15
Jan	52.80	—	—	52.55
March	53.60	—	—	53.35
May	54.40	—	—	54.15
July	55.20	—	—	54.95

COCOA 10 tonnes, $/tonnes

[illegible]

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
March	61.05	62.35	61.70	61.20
April	61.75	—	—	61.35
May	62.15	63.15	62.05	61.75
July	62.70	63.55	62.50	62.20
Sept	63.05	64.00	62.90	62.50
Dec	63.60	64.50	63.40	63.00
Jan	63.80	—	—	63.20
March	64.20	64.70	64.10	63.60
May	64.70	65.00	64.70	64.10
July	65.20	—	—	64.60

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
May	67.05	67.68	66.70	67.40
July	65.59	66.15	65.45	65.70
Oct	65.30	65.40	65.25	65.15
Dec	65.38	65.50	65.25	65.25
March	66.66	66.75	66.55	66.30

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

[illegible]

GOLD 100 troy oz, $/troy oz

[illegible]

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

[illegible]

ORANGE JUICE 15,000 lb, cents/lb

[illegible]

PLATINUM 50 troy oz, $/troy oz

[illegible]

SILVER 5,000 troy oz, cents/troy oz

[illegible]

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
May	3.90	4.04	3.88	3.93
July	4.08	4.21	4.07	4.11
Sept	4.23	4.38	4.23	4.29
Oct	4.32	4.50	4.30	4.41
Jan	4.90	4.95	4.90	4.94
March	5.27	5.41	5.26	5.32
May	5.53	5.63	5.53	5.59
July	5.76	5.82	5.76	5.80

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

[illegible]

LIVE HOGS 30,000 lb, cents/lb

[illegible]

MAIZE 5,000 bu min, cents/56-lb bushel

[illegible]

PORK BELLIES 38,000 lb, cents/lb

[illegible]

SOYABEANS 5,000 bu min, cents/60-lb bushel

[illegible]

SOYABEAN MEAL 100 tons, $/ton

[illegible]

SOYABEAN OIL 60,000 lb, cents/lb

[illegible]

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
May	359.2	360.0	456.4	356.6
July	335.6	338.0	335.0	336.2
Sept	334.4	338.8	333.6	335.0
Dec	344.5	347.0	344.2	345.6
March	350.4	352.0	350.0	351.0
May	347.0	348.4	347.0	347.4

SPOT PRICES—Chicago loose lard 24.00 (same) cents per pound. New York tin 540.0-568.0 (525.0-557.0) cents per pound. Handy and Harman silver bullion 673.5 (647.5) cents per troy ounce.

OTHER MARKETS

MEAT

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 94.31p per kg lw (+0.93). GB—Sheep 221.54p per kg est dcw (+9.38). GB—Pigs 79.82p per kg lw (+0.86). GB—AAPP 101.93p per kg dw (—0.09).

SMITHFIELD—Pence per pound. Beef—Scotch killed sides 74.0 to 81.0; English hindquarters 92.0 to 98.0, forequarters 50.0 to 54.0. Veal—Dutch hinds and ends 124.0 to 127.0. Lamb—English small 90.0 to 95.0, medium 88.0 to 90.0, heavy 80.0 to 86.0; Scotch heavy 78.0 to 85.0; Imported: New Zealand PL (new season) 68.5 to 69.5. PX (new season) 65.0 to 66.0. Pork—English under 100lb 50.0 to 59.0, 100-120lb 52.0 to 55.0, 120-160lb 41.0 to 46.0.

ROTTERDAM

WHEAT—(U.S. $ per tonne): U.S. two soft red winter May 170, July 148, Aug 148. U.S. two northern spring 14 per cent protein April/May 165.50, May 166, June 165, July 165.50, Aug 166, Sept 166. U.S. northern spring 15 per cent protein April/May 175.50, Sept 177.50. U.S. three hard amber durum April/May 177, June 178, July 177, Aug 176, Sept 172, Oct 175. Canadian one western amber durum April/May 185.50, May/June 187, Sept 185.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kg. May 615.0, 619.0, 615.0; July 618.0, 620.0, 622.0-620.0; Oct 595.0, 599.0, nil; Dec 605.0, 609.0, nil; Mar 615.0, 618.0, nil; May 616.0, 622.0, nil; July 625.0, 645.0, nil; Oct 620.0, 635.0, nil. Sales: 9.

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, business). New Zealand cents per kg. March 473, 491, nil; May 503, 506, 504; Aug 529, 535, 530; Oct 532, 535, 534; Dec 536, 537, nil; Jan 536, 538, 537.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar stays under pressure

The dollar came under pressure in rather volatile end of quarter foreign exchange trading yesterday. U.S. monetary policy may not have changed at this week's Federal Open Market Committee, but with the recent problems among Ohio savings institutions, and the sharp fall to 6 per cent in the Federal funds rate on Tuesday, there was some suspicion the FOMC had eased interest rate targets. Rumours that banks in Texas were experiencing difficulties related to the energy industry, following so closely the Ohio crisis, renewed fears of wider banking problems, and further undermined confidence in the dollar. Recent economic data has also pointed to a slowdown in U.S. growth, and against this background today's trade figures and tomorrow's leading indicators are awaited with nervous interest.

The dollar fell to DM 3.1250 from DM 3.2090; FFr 9.5450 from FFr 9.8025; SwFr 2.6485 from SwFr 2.7210; and Y251.85 from Y255.45.

On Bank of England figures the dollar's index fell to 147.3 from 149.6.

STERLING — Trading range against the dollar in 1984-85 is 1.4940 to 1.0525. February average 1.0933. Exchange rate index rose 1.9 to 77.6, the peak of the day, and the highest level since September 14. It opened at 76.6, the low of the day, and rose steadily to the close.

Sterling benefited from the move out of the dollar, as overseas investors were attracted by the high level of London interest rates. The pound rose above $1.20 in early European trading, and advanced to around $1.24 towards the close, before finishing at $1.2385-1.2395, the highest level against the dollar for over four months. Sterling also rose sharply against other major currencies, increasing speculation about an early cut in clearing bank base rates. It advanced to DM 3.8750 from DM 3.7950; FFr 11.84 from FFr 11.59; SwFr 3.27 from SwFr 3.2125; and Y312.50 from Y302.

D-MARK — Trading range against the dollar in 1984-85 is 3.4510 to 2.5535. February average 3.3008. Exchange rate index 120.9 against 121.7 six months ago.

The D-mark rose against the dollar in quite hectic Frankfurt trading. Heavy selling pressure in mid-afternoon pushed the U.S. currency down to around DM 3.1360 when New York began trading. It closed at DM 3.1490 in Frankfurt compared with DM 3.21 on Tuesday. The Bundesbank did not intervene when the dollar was fixed at DM 3.1623, against DM 3.2316 previously. Anxiety about the U.S. banking system and lower U.S. interest rates encouraged selling of the dollar, while the market was also nervous ahead of testimony by Mr Paul Volcker, chairman of the Federal Reserve Board, to a Congressional committee. The weakness of the U.S. currency also threatened to cause strains within the European Monetary System, where the D-mark rose sharply against the weakest currency, the Italian lira.

STERLING EXCHANGE RATE INDEX

	March 27	Previous
8.30 am	76.6	75.7
9.00 am	76.6	75.8
10.00 am	77.0	75.9
11.00 am	76.8	75.9
Noon	77.0	75.8
1.00 pm	77.1	75.9
2.00 pm	77.2	75.9
3.00 pm	77.5	75.9
4.00 pm	77.6	75.7

£ in New York

	March 27	prev. close
£ Spot	$1.2370-1.2380	$1.1880-1.1895
1 month	0.56-0.51pm	0.53-0.52pm
3 months	1.26-1.21pm	1.34-1.31pm
12 months	1.66-1.60pm	1.58-1.55pm

Forward premiums and discounts apply to the U.S. dollar.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu March 27	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	44.9008	44.9534	+0.12	+0.12	±1.5522
Danish Krone ...	8.14104	8.00161	−1.71	−1.71	±1.6419
German D-Mark	2.24184	0.23663	−0.23	−0.23	±1.1475
French Franc ...	6.87456	6.83167	−0.62	−0.62	±1.3689
Dutch Guilder...	0.52595	2.52623	+0.08	+0.09	±1.5171
Irish Punt	0.72569	0.716736	−1.23	−1.23	±1.6703
Italian Lira	1403.49	1427.71	+1.73	+1.73	±4.0419

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

POUND SPOT—FORWARD AGAINST POUND

March 27	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.1925-1.2420	1.2385-1.2395	0.53-0.50c pm	4.99	1.22-1.17pm	3.86
Canada	1.6420-1.6960	1.6800-1.6850	0.47-0.38c pm	5.03	0.98-0.84pm	2.10
Nethlnd.	4.27½-4.39	4.38-4.39	2¾-2½c pm	7.01	6⅞-6⅝pm	6.15
Belgium	76.12-78.16	78.05-78.15	24-19c pm	3.30	58-47pm	2.64
Denmark	13.57¾-13.87	13.86-13.87	4-2½ore pm	2.81	9½-7½pm	2.40
Ireland	1.2195-1.2375	1.2345-1.2355	0.06p pm-0.11d	−0.24	0.10pm-.46d	−0.42
W. Ger.	3.78½-3.88	3.87-3.88	2¾-2⅝pf pm	8.32	7-6¾pm	7.10
Portugal	211¼-221	217-221	145-515c dis	−18.08	495-1465d	−17.90
Spain	210¾-219½	214-216	25-5c pm	0.84	20pm-15dis	−0.06
Italy	2,458¼-2,488	2,487-2,488	par-3 lire dis	−0.72	8-13dis	−1.69
Norway	16.30¾-11.16	71.11-11.12	2½-1½ore pm	1.75	2½-1½pm	0.79
France	11.57¾-11.84½	11.83½-11.84½	3¾-2¾c pm	3.04	6¾-5⅞pm	2.03
Sweden	70.92½-11.20½	11.19½-11.20½	¼ore pm-¼ dis	−0.45	¼-1¼dis	−0.27
Japan	303-313	312-313	2.06-1.86y pm	7.88	5.19-5.05pm	3.55
Austria	26.60-27.20	27.05-27.15	17-15¼gro pm	7.14	43¼-40¼pm	6.15
Switz.	3.20¾-3.27½	0.25½-3.27½	2¾-2⅝c pm	6.03	5⅞-5½pm	7.03

Belgian rate is for convertible francs. Financial franc 78.45-78.55. Six-month forward dollar 1.50-1.45c pm, 12-month 1.50-1.35c pm.

DOLLAR SPOT—FORWARD AGAINST DOLLAR

March 27	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.1925-1.2420	1.2385-1.2395	0.53-0.50c pm	4.99	1.22-1.17pm	3.88
Ireland†	0.9830-1.0000	0.9980-1.0000	0.48-0.38c pm	5.23	1.20-0.90pm	4.28
Canada	1.3640-1.3695	1.3665-1.3685	0.21-0.24c dis	−1.97	0.56-0.61dis	−1.71
Nethlnd.	3.5270-3.5840	3.5370-3.5380	0.66-0.63c pm	2.16	2.07-2.03pm	2.29
Belgium	63.00-63.80	63.00-63.10	9½-10½c dis	−1.90	25-27dis	−1.64
Denmark	11.15½-11.34¾	11.16¼-11.16¾	2-2½ore dis	−2.40	4¼-4¾dis	−1.60
W. Ger.	3.1220-3.1750	3.1245-3.1255	0.86-0.83pf pm	3.28	2.55-2.50pm	3.20
Portugal	176-180	176-178	200-500c dis	−23.60	600-1400dis	−22.47
Spain	173¼-178½	173¾-173¾	60-68c dis	−4.38	170-180dis	−4.11
Italy	2,003-2,020	2,003-2,004	10-10½ lire dis	−6.10	27¾-28dis	−6.48
Norway	9.00¾-9.13	9.03¾-9.03¾	2½-3ore dis	−5.65	7¼-7¾dis	−3.31
France	9.54-9.69	9.54¼-9.54¾	1.55-1.65c dis	−1.89	4.30-4.60dis	−1.84
Sweden	9.04-9.16	9.04¼-9.04¾	5¼-3¾ore dis	−4.64	9½-10dis	−4.31
Japan	251.50-254.05	251.80-251.90	0.55-0.51y pm	2.51	1.73-1.68pm	2.69
Austria	21.98-22.30¼	21.98-22.02	4½-3¼gro pm	2.23	13¼-11¼pm	2.21
Switz.	2.6430-2.6830	2.6480-2.6490	0.75-0.69c pm	3.23	2.26-2.20pm	3.33

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 63.30-63.40.

OTHER CURRENCIES

Mar. 27	£	$		£ Note Rates
Argentina Peso...	406.77-407.48	333.42-333.72	Austria	26.70-27.00
Australia Dollar...	1.7200-1.7240	1.4125-1.4145	Belgium	76.75-77.70
Brazil Cruzeiro...	5,258-5,287	4,510-4,530	Denmark	15.59-15.75
Finland Markka	7.9755-8.0035	6.5430-6.5480	France	11.58-11.70
Greek Drachma	[illegible]	[illegible]	Germany	[illegible]
Hong Kong Dollar	[illegible]	[illegible]	Italy	[illegible]
Iran Rial	[illegible]	[illegible]	Japan	[illegible]
Kuwait Dinar (KD)	[illegible]	[illegible]	Netherlands	[illegible]
Luxembourg Fr.	[illegible]	[illegible]	Norway	[illegible]
Malaysia Dollar	[illegible]	[illegible]	Portugal	[illegible]
New Zealand Dlr.	[illegible]	[illegible]	Spain	[illegible]
Saudi Arab. Riyal	[illegible]	[illegible]	Sweden	[illegible]
Singapore Dollar	[illegible]	[illegible]	Switzerland	[illegible]
Sth. African Rand	[illegible]	[illegible]	United States	[illegible]
U.A.E. Dirham	[illegible]	[illegible]	Yugoslavia	[illegible]

* Selling rate.

CURRENCY MOVEMENTS

Mar. 27	Bank of England Index	Morgan Guaranty Change %
Sterling	77.0	N/A
U.S. dollar	147.3	"
Canadian dollar	88.3	"
Austrian schilling	[illegible]	"
Belgian franc	[illegible]	"
Danish Kroner	[illegible]	"
Deutsche mark	[illegible]	"
Swiss franc	[illegible]	"
Guilder	[illegible]	"
French franc	[illegible]	"
Lira	[illegible]	"
Yen	[illegible]	"

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

Mar. 27	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.811621	0.583430
U.S. $	8	0.982346	0.712077
Canadian $	11.18	*	0.073053
Austria Sch.	4½	21.8415	15.8152
Belgian Fr.	11	62.4772	44.9544
Danish Kr.	[illegible]	[illegible]	[illegible]
D'mark	[illegible]	[illegible]	[illegible]
Guilder	[illegible]	[illegible]	[illegible]
French Fr.	[illegible]	[illegible]	[illegible]
Lira	[illegible]	[illegible]	[illegible]
Yen	[illegible]	[illegible]	[illegible]
Norway Kr.	[illegible]	[illegible]	[illegible]
Spanish Pta.	[illegible]	[illegible]	[illegible]
Swedish Kr.	[illegible]	[illegible]	[illegible]
Swiss Fr.	[illegible]	[illegible]	[illegible]
Greek Dr'ch	[illegible]	[illegible]	[illegible]
Irish Punt	[illegible]	[illegible]	[illegible]

*CS/SDR rate for March 26: 1.33929.

EXCHANGE CROSS RATES

Mar. 27	Pound Sterling	U.S. Dollar	Deutschem'k	J'panese Yen	FrenchFranc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	1.240	3.875	312.5	11.84	3.270	4.385	2480.	1.693	78.10
U.S. Dollar	0.807	1.	3.125	252.0	9.548	2.640	3.536	2004.	1.368	63.06
Deutschemark	0.258	0.320	1.	80.65	3.055	0.844	1.132	641.9	0.434	20.15
Japanese Yen 1,000	3.200	3.968	12.40	1000.	37.89	10.46	14.03	7960.	5.398	249.9
French Franc 10	0.845	1.046	3.273	263.9	10.	2.762	3.704	2101.	1.401	65.96
Swiss Franc	0.306	0.379	1.185	95.57	3.621	1.	1.341	760.7	0.515	23.88
Dutch Guilder	0.228	0.283	0.884	71.27	2.700	0.746	1.	567.3	0.384	17.81
Italian Lira 1,000	0.403	0.499	1.558	125.6	4.760	1.315	1.763	1000.	0.675	31.40
Canadian Dollar	0.594	0.736	2.303	185.7	7.037	1.944	2.606	1478.	1.	46.42
Belgian Franc 100	1.280	1.586	4.960	400.1	15.16	4.187	5.615	3185.	2.154	100.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Mar. 27	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Krone
Short-term	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 day's notice	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Month	13⅝-13⅞	8½-8⅝	10⅛-10⅜	6⅛-6⅜	5⅛-5⅛	5⅝-5¾	10⅜-10⅝	14¼-14⅝	10¼-10½	10⅝-10⅞	6⅛-6⅛	11⅝-11⅞
Three months	13⅞-13⅞	9⅛-9⅛	10⅛-10⅞	6⅛-6⅜	5⅝-5¾	6⅛-6	10⅜-10⅝	14⅝-15⅛	10⅜-10⅝	10⅜-10⅝	6⅝-6⅛	11-11⅛
Six months	12⅞-12⅞	8⅝-9¾	11-11⅛	6⅞-7	5⅛-5⅛	6⅛-6⅛	11¼-11⅝	15⅛-15½	10⅛-10⅛	10⅛-10⅛	6⅝-6⅛	10⅞-11⅜
One year	12⅛-12⅞	10⅛-10⅞	11⅛-11⅞	7⅛-7⅛	5½-5⅝	6⅛-6⅛	11⅛-11⅛	15¾-15⅞	10⅞-11⅛	10⅞-11⅛	6⅝-6⅛	11⅛-11⅛

Asian $ (closing rates in Singapore): Short-term 8¼-8½ per cent; seven days 8¾-8⅞ per cent; one-month 8¾-8⅞ per cent; three months 9⅛-9⅜ per cent; six months 9⅜-9⅝ per cent; one year 10⅞-10⅝ per cent. Long-term Eurodollars: two years 11⅛-11⅜ per cent; three years 11⅝-11⅞ per cent; four years 11⅞-12⅛ per cent; five years 12⅛-12⅜ per cent nominal. Short-term rates are call for U.S. dollars and Japanese yen; others two days' notice.

FINANCIAL FUTURES

Gilts strong

Gilt futures were strong on the London International Financial Futures Exchange yesterday, but dealers were disappointed at the performance of three-month sterling deposits, which failed to respond to the rise of sterling on the foreign exchanges. Short sterling deposits for June delivery opened firm at 88.45, compared with 88.32, but showed little movement during the day and closed at 88.46, against a peak of 88.54. On the other hand the September contract finished at the day's high of 89.07, against an opening of 89.00 and a previous close of 88.87. Dealers suggested that the present June price discounts a cut of 2½ per cent to 11 per cent in UK clearing bank base rates, and is very expensive to cash, leaving little incentive to buy, while the September contract gives much longer for interest rates to come down, and looks more attractive at present.

Eurodollar futures weakened after a firm start, but met a Chicago resistance level of 89.92, but also failed to rise above 90.00 on fear of Federal Reserve intervention to drain liquidity in New York. It closed at 89.94 compared with 89.88.

June U.S. Treasury bonds finished unchanged at 68-25, on nervousness ahead of last night's Treasury auction.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
June	89.94	90.00	89.92	89.88
Sept	89.30	89.34	89.28	89.24
Dec	88.86	88.91	88.86	88.83
March	88.67	88.61	89.57	88.55
June	88.33	88.23	88.31	88.32

Estimated volume 5,010 (4,622)
Previous day's open int 15,713 (15,493)

THREE-MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev
June	88.46	88.54	88.41	88.32
Sept	89.07	89.07	89.92	88.87
Dec	[illegible]	[illegible]	[illegible]	[illegible]
March	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]

Estimated volume 2,291 (1,615)
Previous day's open int 6,502 (6,541)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
March	105-25	105-25	105-15	105-15
June	105-27	105-31	105-04	105-28
Sept	110-25	—	—	[illegible]
Dec	110-27	—	—	109-27
March	110-15	—	—	109-18

Estimated volume 2,926 (953)
Previous day's open int 3,283 (3,880)
Basis quote (clean cash price of 13¾% Treasury 2003 less equivalent price of near futures contract) —24 to —10 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
June	1.2145	1.2145	1.1916	1.1680
Sept	1.2105	1.2105	1.1880	1.1640
Dec	1.2095	—	—	1.1630

Estimated volume 354 (44)
Previous day's open int 6,524 (6,528)

DEUTSCHE MARKS
DM 125,000 $ per DM

	Close	High	Low	Prev
June	0.3201	0.3203	0.3175	0.3137
Sept	0.3223	0.3231	0.3215	0.3167

Estimated volume 100 (103)
Previous day's open int 334 (299)

SWISS FRANCS
SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
June	0.3774	0.3774	0.3761	0.3702

Estimated volume 4 (nil)
Previous day's open int 157 (157)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
June	0.3972	0.3972	0.3966	0.3926
Sept	0.4012	—	—	—

Estimated volume 11 (nil)
Previous day's open int 259 (389)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev
March	128.70	128.95	128.50	128.95
June	129.70	129.80	128.80	129.70
Sept	129.20	—	—	129.20

Estimated volume 268 (281)
Previous day's open int 1,540 (1,603)

U.S. TREASURY BONDS
8% $100,000 32nds of 100%

	Close	High	Low	Prev
June	68-25	68-29	68-19	68-25
Sept	67-28	—	—	67-30

Estimated volume 1,600 (1,473)
Previous day's open int 2,852 (2,836)
9¼38BQ... —? ... —? ... —? ......

CHICAGO

U.S. TREASURY BONDS (CBT)
8% $100,000 32nds of 100%

	Latest	High	Low	Prev
June	68-25	68-25	68-19	69-09
Sept	67-30	67-31	67-23	68-14
Dec	67-05	67-06	67-00	67-22
March	66-16	66-10	66-12	67-01
June	65-30	66-00	65-27	66-14
Sept	65-13	65-13	65-11	65-29
Dec	64-30	65-01	64-28	65-14
March	—	—	—	65-01
June	—	—	—	64-21
Sept	—	—	—	—
Dec	—	—	—	64-02

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev
June	91.06	91.11	91.05	91.14
Sept	91.55	90.59	90.54	90.61
Dec	90.20	90.22	90.20	90.28
March	89.92	—	89.95	90.00
June	89.75	89.78	89.72	89.82
Sept	89.61	—	89.61	89.64
Dec	89.42	—	89.42	89.48
March	89.28	—	89.28	89.34

CERT. DEPOSIT (IMM)
$1m points of 100%

	Latest	High	Low	Prev
June	91.22	91.26	91.20	91.21
Sept	90.32	90.36	90.31	90.43
Dec	89.67	89.67	89.62	89.76
March	89.20	89.23	89.20	89.31

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
June	89.93	89.95	89.91	90.03
Sept	89.27	89.28	89.26	89.36
Dec	88.84	88.85	88.82	88.94
March	88.53	88.54	88.53	88.63
June	88.29	88.30	88.28	88.39
Sept	88.06	88.08	88.06	88.16
Dec	—	—	—	—
March	87.74	—	87.74	87.78

STERLING (IMM) Se per £

	Latest	High	Low	Prev
March	1.2365	1.2110	1.2040	1.1700
June	1.2045	1.2080	1.2000	1.1665
Sept	1.2005	1.2000	1.2000	1.1680
Dec	—	1.2000	—	1.1660
March	—	—	—	1.1660
June	—	—	—	1.2605

GNMA (CBT) 8% $100,000
32nds of 100%

	Latest	High	Low	Prev
March	68-24	68-24	68-20	69-00
June	67-30	68-00	67-30	68-08
Sept	—	—	—	67-18
Dec	—	—	—	66-13
March	—	—	—	66-01

MONEY MARKETS

London rates fall on strong £

Interest rates declined on the London money market, encouraged by the sharp improvement of sterling on the foreign exchanges. Hopes increased of an early cut in clearing bank base rates, as three-month interbank closed at 13⅛-13⅞ per cent compared with 13⅞-13⅞ per cent. Bill rates were also softer, with discount houses offering 12⅞-12⅞ per cent for three-month bank bills, against 12⅞ per cent on Tuesday.

The Bank of England forecast a money market shortage of £1,400m in the morning, but changed this to £1,300m after lunch. Total help provided on the day was £1,319m.

UK clearing banks base lending rate 13½ per cent since March 20

An early round of assistance was offered, and at that time the authorities bought £72m bills outright, by way of £2m bank bills in band 1 (up to 14 days' maturity) at 13⅞ per cent; £67m bank bills in band 2 (15-33 days) at 13½ per cent; and £3m bank bills in band 3 (34-63 days) at 13½ per cent.

Further help of £741m was provided before lunch, including £88m bills bought outright, through £11m bank bills in band 1 at 13⅞ per cent; £75m bank bills in band 2 at 13½ per cent; and £2m bank bills in band 3 at 13½ per cent.

The Bank of England also bought £653m bills for resale to the market in equal amounts on April 22 and April 24 at 13½ per cent.

In the afternoon £166m bills were purchased outright, by way of £36m bank bills in band 1 at 13⅞ per cent; £129m bank bills in band 2 at 13½ per cent; and £1m bank bills in band 3 at 13½ per cent.

The authorities also provided late assistance of £340m.

Temporary facilities were also given, roughly rolling forward maturing agreements on gilt edged stock. This was provided at an average rate for two-month money of 13⅞ per cent.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £587m, with the unwinding of repurchase agreements absorbing £1,050m, and a rise in the note circulation £95m. These were partly offset by Exchequer transactions adding £325m to liquidity and bank balances above target by £10m.

MONEY RATES

March 27	Frankfurt	Paris	Zurich	Amst'dam	Tokyo	Milan	Brussels	Dublin
Overnight	5.40-5.55	10¾	30½-30½	5½-5⅝	6.59375	15⅛-15⅛	8.65	14-14¼
One month	6.00-6.10	10⅝-10¾	5⅛-5⅛	6⅛-6⅛	6.40625	15¼-15¾	10⅝-10⅝	14⅛-14⅝
Two months	6.10-6.25	10⅝-10¾	—	—	—	—	—	14⅛-14⅝
Three months	6.20-6.35	10⅝-10¾	5⅛-5⅛	5⅞-7	6.34375	10½-15⅞	10½-10¾	15⅞-14⅛
Six months	6.25-6.40	10⅛-10⅛	—	6⅛-7⅛	—	—	10⅝-10⅞	13¾-14
Lombard	6.0	—	—	—	—	—	—	—
Intervention	—	10⅛	—	5⅞	—	—	—	—

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Mar. 27 1985	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	10-14¾	14⅛-14⅜	10⅛-14⅛	10-14¾	—	—	—	—	—
2 days notice	—	—	14¾-14⅝	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	14¼-14⅝	14⅛-14⅝	14⅛	15⅛-15¾	—	—	—	—	—
One month	13⅞-13⅞	13¾-13⅞	13⅝	14⅛-14⅝	13¾	13⅞	13⅛	13¼-13⅛	13⅛-13¼	13⅞
Two months	13⅛-13⅞	13⅝-13⅝	13⅝	13⅝	13	13⅞	12⅞	12⅞-13	12⅞	13⅝
Three months	13¼-13⅞	13⅞-13⅛	13⅝	13⅝	13⅝	12¾	12⅝	12⅝-12⅞	12⅞-12⅞	13⅞
Six months	12⅞-12⅞	12⅞-12⅝	12⅛	—	—	—	—	11⅞	11¾	12⅛
Nine months	12⅞-12⅞	12¼-12⅝	—	—	—	—	—	—	—	—
One year	12⅞-11⅞	12⅛-12¼	12⅛	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	14⅛-14⅛	—	14	8.65-8.75	8⅞-8⅞	10-10⅛
Two months	13⅝-13⅛	—	15⅛	8.8-8.9	8⅝-8⅞	10⅛-10⅛
Three months	13¾-13⅝	—	13⅝	8.9-9.0	8⅞-8⅞	10⅛-10¼
Six months	13-12⅝	—	10⅝	9.4-9.5	9-9¼	10¼-10⅝
Nine months	12⅝-12¼	—	12¼	9.85-9.95	—	—
One year	12¼-10⅛	—	10¼	10.2-10.3	9⅞-9⅞	10¼-10⅝
Two years	—	11⅞	—	—	—	—
Three years	—	11⅞	—	—	—	—
Four years	—	11⅞	—	—	—	—
Five years	—	11⅞	—	—	—	—

ECGD Fixed Rate Export Finance (V: Average Rate of interest period February 6 to March 5 1985 (inclusive): 13.683 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed. Finance Houses Base Rate (published by the Finance Houses Association): 12½ per cent from March 1 1985. London and Scottish Clearing Bank Rates for lending 14 per cent. London Deposit Rates for sums at seven days' notice 11-11½ per cent. Treasury Bills: Average tender rates of discount 12.3665 per cent. Certificates of Tax Deposit (Series 6): Deposits £100,000 and over held under one month 13¾ per cent; one-three months 13½ per cent; three-six months 13 per cent; six-nine months 12½ per cent; nine-12 months 12¾ per cent. Under £100,000 11¾ per cent from March 28. Deposits held under Series 6 12¾ per cent. The rate for all deposits withdrawn for cash 6 per cent.

FT LONDON INTERBANK FIXING

(11.00 a.m. March 27)

Three months U.S. dollars	
bid 9 1/8	offer 9 1/4

Six months U.S. dollars	
bid 9 11/16	offer 9 13/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	10½
Broker loan rate	9½
Fed funds	7¾
Fed funds at intervention	—

Treasury Bills

One month	7.85
Two month	8.25
Three month	8.32
Six month	8.81
One year	9.91

Treasury Bonds

Two year	100⅞
Three year	98⅞
Four year	99¾
Five year	98⅞
Seven year	99⅞
10 year	96⅞
30 year	95½

Company Notices

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. The following are closing prices for March 27.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex Credit 12⅝ 88	150	101⅛	102	0	+0⅜	11.93
Austria Rep 13⅝ 92	100	105⅝	106⅛	0	+0⅛	12.32
Bank Of Tokyo 12⅝ 92	100	99⅝	99⅞	0	+0¾	12.69
Bank of Tokyo 13⅝ 91	100	104⅜	104⅞	0	+0¼	12.49
BP Capital 11⅛ 92	150	94½	95	+0⅛	+0⅞	12.26
Caisse Nat Tele 13¾ 91	100	104⅞	105⅜	0	+0⅜	12.48
Canadian Pac 12½ 99	75	101⅝	102⅛	0	+0⅞	12.10
CBS Inc 11⅜ 92	100	95¾	96¼	0	+1¾	12.18
Chevron U.S.A. 12¼ 89	600	100	100½	0	+0¼	12.12
Creditanstalt 13⅛ 91	100	101⅝	102⅛	0	+0⅜	12.64
Denmark Kindom 11½ 92	100	95⅛	95⅝	+0⅛	+0½	12.53
[illegible]						

	Issued	Bid	Offer	Change on day	Change on week	Yield
Weyerhaeuser 12¼ 87	150	100¾	101¼	+0⅛	+0¼	11.65
World Bank 12¼ 94	150	100	100½	0	+1¼	12.18
World Bank 12⅞ 94	200	102½	103	0	+1	12.33

Average price change On day 0 on week +0½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev Bank 8 94	200	*100⅛	100⅞	0	0	7.91
Austria Republic 7⅝ 94	200	*99⅝	100⅛	0	+0⅜	7.66
Baxter Travenol 7¼ 94	200	*97⅞	98⅝	0	0	7.52
Credit National 8⅛ 94	200	*101½	101⅞	+0¼	+0⅜	7.88
Degussa Int Fin 7½ 94	100	*99⅞	100⅝	0	+0¼	7.45
E.E.C. 8 92	200	*101⅛	101⅞	+0¼	0	7.70
[illegible]						

YEN STRAIGHTS; OTHER STRAIGHTS; SWISS FRANC STRAIGHTS; FLOATING RATE NOTES; CONVERTIBLE BONDS — [illegible]

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week—Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte—Date next coupon becomes effective. Spread—Margin above six-month offered rate (‡ three month; § above mean rate) for U.S. dollars. C.cpn—current coupon. C.yld—current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day—Change on day. Cnv. date—First date for conversion into shares. Cnv. price—Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem—Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

OVER-THE-COUNTER

Continued from Page 42

Stock	Sales (Hnds)	High	Low	Last	Chng
[illegible]					
SciInc	5	8	8	8	−⅛
SciMic	20	4⅝	4⅝	4⅝	
SciSt	28	11½	11½	11½	
SciSySv	118	5⅝	5½	5½	−⅛
Scitex	8	18¼	18¼	18¼	+¾
ScripH .60	4	37½	36¼	37½	+¼
SeaGal	459	8½	8¼	8⅜	−⅛
Seagate	1014	7	6¾	6¾	−⅛
Transat	256	3	2⅞	2⅞	
TriadSy	47	9⅝	9½	9½	−⅛
TriMic	15	8¼	8¼	8¼	
TribCm	217	3½	3⅜	3⅜	−⅛
Trion .09	12	9	9	9	
TBkGa 1	136	33½	32¾	33¼	+⅜
TrsNY 1.20	4	27	27	27	−1½
TuckDr	13	6¾	6½	6⅝	
[illegible]					

NEW YORK — DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

Ind. P/E Ratio	11.11	11.06	11.24	12.13
Long Gov Bond Yield	11.84	11.83	11.84	12.37

N.Y.S.E. ALL COMMON

March 27	March 26	March 25	March 22	1984-85 High	1984-85 Low
103.83*	103.28	103.85	103.65	106.08 (13/2/85)	85.13 (24/7)

RISES AND FALLS

	March 26	March 25	March 22
Issues traded	1,971	1,986	[illegible]
Rises	790	525	[illegible]
Falls	690	1,024	[illegible]
Unchanged	491	437	[illegible]

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day		Stocks traded	Closing price	Change on day
G. D. Searle	2,036,200	47	−1⅛	ITT	886,000	34⅛	[illegible]
Gen Electric	1,688,800	59¾	−1⅛	Exxon	858,900	50⅛	[illegible]
IBM	1,404,400	125⅛	+¼	Baxter Trav	828,300	15⅞	[illegible]
AT & T	1,286,000	21⅛	+⅛	McGraw-Edison	773,600	63⅛	[illegible]
Tenneco	1,223,700	43¼	+1	City Invest	724,500	37	[illegible]

TORONTO	March 27	March 26	March 25	March 22	1984-85 High	1984-85 Low
Metals & Minls	2,038.6*	2,039.18	2,049.7	2,068.2	2624.4 (12/1/84)	1641.2 [illegible]
Composite	2,669.4*	2,584.82	2,595.4	2,685.5	2647.8 (5/3/85)	2070.7 [illegible]
MONTREAL Portfolio	120.66*	128.84	128.83	128.46	132.77 (5/3/85)	100.36 [illegible]

* Indicates pre-close figure

Indices

					1984-85 High	1984-85 Low
[illegible]						
SWEDEN Jacobson & P (1/1/58)	1(u)	1408.56	1409.38	1417.6	1594.5 (3/2/84)	1392.98 (22/11)
SWITZERLAND Swiss BankCpn.(31/12/58)	422.5	424.4	425.3	426.4	430.8 (16/5/85)	354.5 (25/7)
WORLD Capital Intl. (1/1/70)	—	200.1	136.7	201.0	201.2 (22/3/85)	155.2 (14/12)

** Saturday March 23: Japan Nikkei-Dow 12,637.9. TSE 1,005.72.

Base value of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/7/83. † Excluding bonds. ‡ 400 industrials. § 400 industrials plus 40 Utilities. 40 Financials and 20 Transports. c Closed. u Unavailable.

CAPITAL MARKETS

Pressure on dollar discourages fixed-rate issues

BY MAGGIE URRY IN LONDON

WITH the dollar suffering badly on the foreign exchanges yesterday, the Eurodollar bond market was again free of a new fixed-rate issues. However, secondary market prices were a touch firmer during the morning, though they weakened again later as the New York bond market opened easier.

Among floaters, the new NatWest $400m issue continued to trade inside its 5 basis point selling concession. However, the Ireland issue in European currency units slipped badly, with the lead manager Citicorp quoting the issue around 99.45 and other traders noting even lower levels. The Ecu 150m issue has fees of 25 basis points.

There are strong rumours in the Eurobond market of the first sterling zero coupon issue, thought to be for a UK company.

The Samurai market is firmly back in business with two more deals launched. The first, for the World Bank, raises Y50bn on the same terms as the Asian Development Bank issue on Tuesday – a 15-year final maturity, a 7.3 per cent coupon and 99½ issue price.

The other deal was for Air Canada – its first Samurai issue. This is for Y15bn with a 10-year maturity, a 7.3 per cent coupon and a 99.35 issue price. Both deals are led by Daiwa Securities.

D-Mark bonds gained ¼ to ½ point yesterday, benefiting from the lower dollar, with volume improved and buying interest seen. Recent issues for the World Bank and Escom are trading well.

BHF Bank bond average		
March 27		Previous
100.847		100.707
High	1984/85	Low
103.042		99.056

A slightly firmer trend was seen in the Swiss franc foreign bond market, with some issues gaining up to ¼ point.

Dennison Manufacturing's warrant issue picked up again. The package gained ½ point to 99¾, while the warrants alone rose SwFr 1 to SwFr 23.

Crédit Suisse indicated a 3¾ per cent yield for a SwFr 70m private placement for Toko, the Japanese electronics company. The five-year bonds come with equity warrants with a likely premium for the exercise price of 2½ per cent.

Nikko (Switzerland) launched a SwFr 40m convertible private placement for Takasago Thermal Engineering, and UBS priced a SwFr 30m private placement with equity warrants for Denki Kogyo with a 3⅝ per cent coupon compared to the indication of 3¾ per cent. The exercise price was set at Y803 compared to the closing share price of Y789.